

# 2025

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



**BEA**  
**Sustainability**  
東亞銀行可持續發展

# CONTENTS

## ESG Highlights

BEA at a Glance	2
Message from the Executive Chairman	3
Leadership Conversation with the Co-Chief Executives	4
ESG Performance Summary	6
Our Progress	7

## 2025 Performance

Responsible Business	22
Responsible Operations	53
Responsible Citizen	74
Appendices	80

# ESG Highlights



# BEA at a Glance

(as at 31 December 2025)<sup>1</sup>



<sup>1</sup> BEA refers to The Bank of East Asia, Limited (the Bank), a limited liability company incorporated in Hong Kong. The terms "Bank Group", "BEA Group", or "Group" collectively refer to the Bank and its subsidiaries.

<sup>2</sup> Including Hong Kong, the Chinese Mainland, Macau, Taiwan, Malaysia, Singapore, the United Kingdom (UK), and the United States (US)

<sup>3</sup> Copyright © Sustainalytics, a Morningstar company. All rights reserved. Disclaimer: <https://www.sustainalytics.com/legal-disclaimers>



# Message from the Executive Chairman



Many of the largest global banks recalibrated their commitment to climate change targets in 2025, stepping back from industry-wide collective action and adopting quieter, risk management approaches. Following high-profile withdrawals from the United Nations (UN)-backed Net-Zero Banking Alliance (NZBA) during the year, in early October the NZBA announced that it would transition from a member-based organisation to a guidance-focused framework.

BEA remains steadfast in its commitment to responsible climate goals and, in December, BEA became the first bank headquartered in Hong Kong to join the Principles for

Responsible Banking (PRB) under the UN Environment Programme Finance Initiative. The PRB enables BEA to contribute to industry discussions on defining frameworks to help banks align strategies and practices to further the Paris Agreement and, more broadly, the UN Sustainable Development Goals.

During 2025, we successfully achieved the three-year goal we set in 2022 to establish interim 2030 financed emissions reduction targets for the Group's carbon-intensive sector portfolios. On the operational front, we made steady progress towards achieving net zero emissions in the Group's operations by 2030.

Acting in alignment with the Sustainable Finance Action Agenda published by the Hong Kong Monetary Authority (HKMA), we completed energy audits across our highest energy-consuming premises in 2024 and began implementing solutions to reduce energy consumption in 2025, a process that will continue in the years leading up to 2030.

Market developments continue to present the Group with new sustainable finance opportunities. The Chinese Mainland's substantive commitments to reduce emissions and promote renewable energy will not only positively impact our net zero roadmap but also open new financing opportunities for BEA to support its customers in their decarbonisation efforts.

Locally, the HKMA launched Phase 2A of the Hong Kong Taxonomy for Sustainable Finance in January 2026, which introduces additional sectors and incorporates climate change adaptation and transition elements to provide further guidance to market participants. These developments will enable financial institutions, including BEA, to better facilitate financing for the transition to a low-carbon future.

## Palliative Care for the Elderly

BEA is committed to improving the living conditions of those in need. In 2025, BEA celebrated 15 years of its "Palliative Care for the Elderly" Programme, aimed at enhancing the wellbeing of older adults. Sponsored by "la Caixa" Banking Foundation and The Bank of East Asia Charitable Foundation Limited (BEA Foundation), and run by The Salvation Army Hong Kong and Macau Territory (The Salvation Army), this milestone anniversary culminated

in the "Cultivating Compassion" Symposium, uniting government officials as well as healthcare and welfare experts to devise new palliative and end-of-life care solutions.

## Wang Fuk Court

Our hearts go out to those impacted by the devastating fire at Wang Fuk Court in Tai Po in November 2025. BEA donated HK\$10 million to the HKSAR Government's support fund and encouraged colleagues across the Group to unite in support. Through the "BEA Community Support Fund", our staff contributed to the Hong Kong Holistic Popular Mental Health Association, which provided pro bono professional psychological and psychiatric services to residents in need. Our colleagues in the Chinese Mainland also raised donations for five Hong Kong non-governmental organisations (NGOs) through the China Social Welfare Foundation.

## Appreciation

The Bank Group's solid performance and achievements on multiple fronts are driven by the collective efforts of the Board ESG Committee, management staff and our colleagues across the Group. I am sincerely grateful for their professionalism, collaboration and steadfast commitment to BEA and our long-term future. I am confident that, together, we will continue to advance towards our shared ambition of becoming the sustainability leader among financial institutions in Greater China and beyond.

**Dr the Hon Sir David Li Kwok-po**  
Executive Chairman



# Leadership Conversation with the Co-Chief Executives



Mr Adrian Li and Mr Brian Li, Co-Chief Executives of BEA

**The past year saw major banks roll back their climate commitments, buffeted by geopolitical headwinds. How has BEA responded to these conditions?**

## ■ Brian:

2025 was a challenging year for advocates of climate initiatives, with a number of banks stepping away from collective actions against climate change. Nevertheless, BEA remains committed to its net zero goals.

Key to achieving our net zero financed emissions goal has been the establishment

of interim reduction targets for our carbon-intensive sector portfolios, namely the Automotive Manufacturing, Aviation, Commercial Real Estate (CRE), Energy (Oil & Gas), Power, and Steel sectors. Having reached this important milestone in 2025, we are now ready to take concerted action to drive down emissions in our financed activities and engage our corporate customers on their decarbonisation efforts. During the year under review, we developed two new transition plans for the Automotive Manufacturing and Steel sectors, which will guide us towards our goal.

## ■ Adrian:

While most of the focus has been on our financed emissions, which account for more than 99% of our Group's total emissions, we have also made good progress on reducing our operational emissions. In 2025, our Board ESG Committee approved our Net Zero Operations Execution Plan, which will steer us towards achieving net zero by 2030. As part of this plan, we rolled out nearly 40 energy saving initiatives during the reporting period, which helped reduce our operational emissions by 39.7% against our 2019 baseline.

**Given that financed emissions accounting is an evolving and complex discipline, and in view of a myriad of external and internal constraints, what has BEA found to be the most challenging thus far?**

## ■ Brian:

What has been challenging or, I should say, what has required time, effort, and investment, has been gathering and analysing the required data, determining strategic approaches and practical actions to achieve our goals, and finding the right technical solutions to support the implementation of our strategy. Making progress on this is a multifaceted effort—

from leadership commitment, upskilling our colleagues, and engaging our customers and other stakeholders to having strong support from governments across our jurisdictions.

## ■ Adrian:

To echo what Brian said about the important role of people in driving our net zero journey, I would like to add that achieving net zero is a shared goal that we must all work collaboratively towards, as we learn from and support one another. To foster engagement with local and Chinese banks, which are at varying stages of development, we co-hosted a workshop with the Partnership for Carbon Accounting Financials (PCAF) and the Hong Kong Green Finance Association (HKGFA) in December, which aimed to enhance understanding of financed emissions measurement methodologies and facilitate discourse on market practices in support of Hong Kong's net zero transition.

We are both very proud of the progress BEA has made on its journey to net zero. We will continue to support our governance bodies and colleagues as we build a deeper understanding of our customers' businesses and impacts so that we can better support and finance their decarbonisation.



**The global ESG disclosure landscape is evolving rapidly. How is BEA embracing the changes and integrating them into its business strategy?**

**Brian:**

Over the years, we have worked hard to follow best practices in ESG disclosure while proactively integrating sound ESG management approaches into our business strategy, and adapting our governance structures and risk management to embrace this. Our journey has been iterative, and we align our disclosures with standards and frameworks as they evolve—from the Global Reporting Initiative Standards (GRI Standards) and the ESG Reporting Code (ESG Code) of The Stock Exchange of Hong Kong Limited (HKEX) to the International Financial Reporting Standards' (IFRS) Sustainability Disclosure Standards.

In 2025, we engaged 40 internal and external subject matter experts in a granular assessment to examine the impacts, risks, and opportunities

associated with our material topics. This deeper dive led to a refinement of the Group's strategic ESG priorities, including the addition of a new material topic, namely Technology Innovation. This reflects the rapid development of artificial intelligence (A.I.) and its growing impacts on the delivery of financial services.

**Adrian:**

As with our collaborative approach to the net zero journey, a positive outcome of the changing disclosure landscape has been the establishment of new working relationships within the Group. Our ESG reporting now involves closer collaboration among our sustainability, risk management, and finance functions. This shift highlights how ESG reporting is no longer confined to being primarily non-financial but has grown into a more integrated form of disclosure. This approach aligns with the expectations of many investors and stakeholders, who are increasingly seeking comprehensive, interconnected insights that combine financial performance with ESG considerations.



In May, BEA drove the organisation of a transition finance workshop co-hosted by Civic Exchange and the Chinese Banks' Association for local banks.



Beyond Hong Kong, BEA fosters a strong sustainability culture in the Chinese Mainland where it employs over 2,600 staff members across 38 cities.

**To wrap up, could you share how you keep staff motivated and engaged throughout the sustainability journey?**

**Adrian:**

Setting the tone from the top is essential, but clear and transparent communication is just as critical. Regular town halls serve as an effective platform for articulating the Group's sustainability goals, sharing progress updates, and celebrating achieved milestones.

**Brian:**

Employee feedback mechanisms, such as surveys, can play a crucial role in ensuring that staff feel involved and empowered. For instance, our 2025 Employee Survey revealed that 90% of staff believe they can make an impact on the BEA Group's ESG performance.

We believe that fostering a strong sustainability culture enhances employees' sense of purpose and strengthens their connection to the Group's long-term objectives.



# ESG Performance Summary

(as at 31 December 2025)

## Responsible Business



### Climate-related Risk and Resilience

1<sup>ST</sup>

First bank headquartered in Hong Kong to join the UN PRB



Achieved our three-year goal to set interim emissions reduction targets for the Group's carbon-intensive sector portfolios



Developed transition plans for the Automotive Manufacturing and Steel sectors



### Sustainable Finance

HK\$ 92.2 billion

in green and sustainable finance (GSF) loans and ESG bond investments (+13.2% year-on-year (yoy))

17.8% of total corporate loans and bond investments



### Customer Satisfaction

+50

Net Promoter Score<sup>4</sup> (NPS)



BEA Group's NPS has trended upwards over the past four years

## Responsible Operations



### Talent Attraction and Retention

99.3%

response rate to Employee Survey 2025

90%

of staff are positively engaged



### Training and Development

HK\$ 10+ million

invested in training and development

Launched the Group-wide "BeAgile" training programme to promote a culture of adaptability, value creation, and continuous improvement



### Technology Innovation

Established a three-year A.I. strategy, which will strengthen data and A.I. governance

### Operational Emissions Reduction



39.7%

reduction in carbon emissions against 2019 baseline (Scope 1 and 2 emissions)

~40

energy saving initiatives implemented

## Responsible Citizen



HK\$ 15 million

cash donations for the community



Staff donations enabled immediate mental health support for Tai Po fire victims via Hong Kong Holistic Popular Mental Health Association



~12,800 hours

of service contributed by our volunteers

<sup>4</sup> A metric that measures customer loyalty by assessing their likelihood of recommending BEA to others



# Our Progress

Guided by our sustainability strategy, we made steady progress in 2025 in terms of improved performance, engagement, and disclosure. We continue to communicate our achievements in the three pillars of our materiality framework, namely Responsible Business, Responsible Operations, and Responsible Citizen.

The Board ESG Committee approves annual ESG goals, including those set out below, which are proposed by members of our ESG Work Group to focus efforts across the Group on the areas that matter most. To ensure progress is made, and help overcome any hurdles along the way, the ESG Steering Committee monitors performance against these goals throughout the year.

Pillar	Key Goals in 2025	Status
Responsible Business	Complete measurement of the emissions in the Group's carbon-intensive sector portfolios and setting of interim emissions reduction targets	Achieved
	Implement engagement strategies to determine transition readiness of new/existing loan customers	Achieved
	Integrate customer engagement on transition readiness into the credit review process	In Progress
	Increase adoption of digital banking by mature customers aged 60+ while strengthening their awareness of scams	Achieved
Responsible Operations	Reduce the Group's operational emissions by 39% between 2019 baseline and the end of 2025	Achieved
	Obtain approval of the Group's Net Zero Operations Execution Plan from the ESG Committee	Achieved
Responsible Citizen	Align the Group's community investment programmes across the markets it serves	In Progress
	Reassess existing strategies to transform the model of the "Palliative Care for the Elderly" Programme, from residential care home settings to community-based, to bridge the service gaps	Achieved



**"Our sustainability journey requires us to pursue increasingly ambitious goals. Through innovation, collective effort, and strong stakeholder support, we delivered solid progress in 2025. We remain committed to tackling new challenges and capitalising on future opportunities."**

**Brian Li**  
Co-Chief Executive



# Responsible Business

## Building a Lower-carbon, Climate-resilient Portfolio

2025 marks the tenth anniversary of the Paris Agreement in a year when the physical impacts of diverse and increasingly severe climatic events were felt across the globe. As a financial institution with portfolio companies in carbon-intensive industries, we remain committed to implementing and enhancing our long-term climate strategy and creating a climate-resilient organisation positioned to thrive in a low-carbon economy.

With a view to achieving net zero financed emissions within our portfolios by 2050, we made good progress in 2025 in the three pillars of our Scope 3 Net Zero Roadmap.

**"At BEA, we view ESG not just as an investment for social good, but as a catalyst for delivering measurable returns for the company. By integrating sustainability into our business activities, we are unlocking opportunities for greater success while creating meaningful environmental and social impact in the communities we serve."**

**Adrian Li**  
Co-Chief Executive

## BEA's Scope 3 (Financed Emissions) Net Zero Roadmap

Pillars	Goals	Progress in 2025								
<b>1. Climate Financing Strategy</b>  	Aligning our business activities and climate goals through sectoral baselining, target setting, sector policy enhancement, and more	<ul style="list-style-type: none"> <li>Established interim reduction targets for the Aviation and CRE sectors</li> <li>Performance against our existing interim reduction targets<sup>5</sup>:                             <table border="1" data-bbox="922 963 2028 1032"> <thead> <tr> <th>Automotive Manufacturing</th> <th>Energy (Oil &amp; Gas)</th> <th>Power</th> <th>Steel</th> </tr> </thead> <tbody> <tr> <td>In progress</td> <td>In progress</td> <td>In progress</td> <td>On track</td> </tr> </tbody> </table> </li> <li>Began incorporating transition finance activities into our GSF framework in alignment with the HKMA's Hong Kong Taxonomy for Sustainable Finance Phase 2A</li> <li>Developed transition plans for the Automotive Manufacturing and Steel sectors</li> </ul>	Automotive Manufacturing	Energy (Oil & Gas)	Power	Steel	In progress	In progress	In progress	On track
Automotive Manufacturing	Energy (Oil & Gas)	Power	Steel							
In progress	In progress	In progress	On track							
<b>2. Customer Transition Plan</b>  	Identifying transition drivers and engaging with portfolio companies to implement emissions reductions within the real economy	<ul style="list-style-type: none"> <li>Established a procedure to assess customers' climate transition readiness, enabling business units to effectively engage with their customers on climate-related risks and opportunities</li> <li>Implemented sector solutions that will enable relationship managers to effectively identify business opportunities within the Power and Energy (Oil &amp; Gas) sectors</li> <li>Began devising a plan to integrate customer engagement on financed emissions and transition plan assessment into the credit review process, which we aim to implement in 2026</li> </ul>								
<b>3. Climate and ESG Data</b>  	Implementing robust data governance, requirements, and sourcing initiatives, while enhancing related systems to support our net zero efforts	<ul style="list-style-type: none"> <li>Developed our financed emissions dashboard to enable more granular and frequent tracking of portfolio emissions, thereby facilitating more informed decision making</li> </ul>								

<sup>5</sup> Since many portfolio companies will disclose their financial and emissions data for the year ended 31 December 2025 at the same time or after the publication of this report, the financed emissions data in this report is based on the Group's 2024 performance.



## Growing Our GSF Business across the Group

In 2025, we continued to develop and roll out new sustainability-focused products and services across the Group and onboarded ESG-themed funds onto our trading platforms. More than 50 of these funds are now available, offering over 150 share classes. In addition, our Discretionary Portfolio Management offers customers ESG-focused strategies. In recognition of these initiatives, BEA received Hong Kong's Best for Sustainability at the Global Private Banking Awards 2025, organised by Euromoney.

Through GSF lending and offering products such as sustainability-linked loans (SLLs), the Group is also supporting the transition to more sustainable practices in sectors with some of the greatest sustainability challenges.



## GSF Lending to Corporate Clients: Global Highlights in 2025

### 1. Hong Kong



**HK\$504 million syndicated SLL to GP International Limited (GP)**

Interest rate reductions are linked to GP, a leading company in the battery, audio, and electronics industries, achieving pre-determined sustainability performance targets relating to waste management, energy consumption, and training hours.

### 2. Macau



**HK\$1,556 million syndicated SLL to Hong Kong Huafa Investment Holdings**

Part of an innovative cross-boundary financing framework under the "Multiple Free Trade Zones + Hong Kong SAR and Macau SAR", the loan is linked to the achievement of pre-defined sustainability performance targets to reduce Scope 1 and 2 emissions and building a set number of affordable housing units. This product will strengthen cross-boundary financial collaboration and drive innovation in green finance within the Guangdong-Hong Kong-Macau Greater Bay Area (GBA).

### 3. Chinese Mainland



**CNY320 million Carbon Emission Reduction Facility (CERF) loan to Nanning Fanjing Wind Power Co., Ltd.**

Proceeds are earmarked for the construction of a wind power project that is estimated to deliver an annual carbon emissions reduction of approximately 78,000 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). CERF is an innovative monetary policy tool that supports the achievement of China's carbon peak and neutrality goals, and encourages banks to extend loans at preferential rates to projects with clear and measurable carbon emissions reduction effects.

**CNY500 million transition loan to Handan Iron & Steel Group Co., Ltd**

The first transition loan issued by The Bank of East Asia (China) Limited (BEA China) supports the decarbonisation of the steel sector by linking loan terms to the borrower's carbon intensity reduction targets. This transaction demonstrates BEA China's continued expansion of its GSF product offerings and its commitment to supporting the green and low-carbon transition of high-emitting industries through clear financial action.

### 4. Taiwan



**NT\$1,450 million syndicated green loan to Changfang Wind Power Co., Ltd. & Xidao Wind Power Co., Ltd.**

This syndicated loan facility provides proceeds to finance the planned construction and operation of 62 offshore wind turbines with two electrical substations, which will generate cleaner energy equivalent to the electricity consumption of 650,000 households in Taiwan.

### 5. Singapore



**MYR15 billion syndicated green loan to WG Data Hub Sdn Bhd**

Aligned with the Green Loan Principles, the loan will support the establishment of LEED-certified data centres in Malaysia that adopt climate-mitigation measures such as water-efficient systems and fixtures, land areas with natural vegetation, and green roofs.

### 6. UK



**US\$666 million syndicated SLL to an Irish aircraft leasing subsidiary of a Chinese aviation company**

The facility—structured based on the SLL Principles<sup>6</sup>—has key performance targets for reducing emissions intensity through innovations in propulsion and design, and increasing the share of new generation aircraft in the borrower's portfolio fleet.

<sup>6</sup> <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>



**"We believe that achieving climate goals is a shared responsibility across the business and financial sectors. To ensure our investments align with the Group's net zero financed emissions goal, we actively manage our bond portfolio with an increasing focus on investing in companies with credible transition plans."**

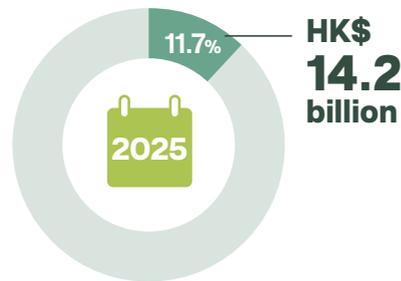
**Samson Li**

Deputy Chief Executive & Chief Investment Officer

**ESG Bond Investments**

We are strengthening the integration of sustainability considerations into our debt investments. In 2025, we continued to identify new opportunities and transitioned existing investments to ESG-labelled bonds. We also actively monitored and managed our carbon-intensive sector portfolios. To support the Group's net zero financed emissions goal, we replenished or switched our bond holdings to include companies with lower emissions profiles and credible transition strategies, where feasible.

**ESG bond portfolio**



**Climate Risk Management**

Throughout the year and following the enhancement of our climate risk assessment process, we have been able to better integrate policy, legal, technology, market, and reputational transition risks, alongside location-specific data for physical risks, into overall risk assessments of customers in our corporate loan portfolio.

To better manage the potential impacts of climate change on business performance, we introduced a new quantitative indicator to our Risk Appetite Statement (RAS) – the percentage of high physical risk residential mortgage collateral against the total residential mortgage portfolio.

**Climate Resilience in Action**



With climate risks increasingly prevalent, we took numerous actions to prepare our business for an uncertain future throughout the reporting period. This focus reached the highest levels of the Group, with the Board approving "extreme weather events" as an operational resilience scenario. This decision will help ensure the identification and implementation of effective response and recovery measures to maintain critical operations and mitigate disruptions during potentially adverse weather events.

In Hong Kong, we assessed the physical risk levels of BEA-owned and leased properties and updated the Precautionary Measures Against Bad Weather for domestic branches. Furthermore, we introduced essential risk mitigation and precautionary measures for severe weather events. These include conducting risk assessments of new branches and installing facilities such as water detection systems, floodgates, water extraction equipment, and dual-feed electricity supplies in offices, data centres, and warehouses to minimise the impacts of extreme weather.

Proactive changes to our internal policies and frameworks also helped establish a foundation for the Group's response to climate hazards throughout the year. When the Los Angeles metropolitan area in California endured four weeks of destructive wildfires, which were exacerbated by drought and other weather-related conditions, our Los Angeles Branch experienced a power outage. Guided by advanced planning and the disciplined execution of the Branch's Business Continuity Plan (BCP), the team activated our designated BCP online site and was able to maintain all crucial banking functions—including payment processing and day-end closing—without any interruption. Direct communication channels with our Head Office in Hong Kong also remained steady, ensuring decisions and updates flowed in real time. As the wildfires subsided, the Branch reported no physical asset damage, financial loss, or negative impacts to our customers.



## Digitalising Responsibly and Combatting Cybercrime

For more than a century, a strong commitment to innovation has enabled the Group to remain resilient and forward looking. We continue to embed responsible business practices in an increasingly digitalised world—focusing on critical priorities such as cybersecurity, data privacy, and financial literacy and inclusion. At the same time, we remain vigilant against growing risks of scams and fraud in this evolving environment, and we are working to both protect our customers and help them protect themselves.

We introduced two important new initiatives to combat fraud and enhance customer protections during the reporting period. In line with guidance issued by the HKMA, we have implemented the "Money Safe" protection initiative to provide an additional layer of protection for customer deposits against fraud and scams, whereby the funds of the customers deposited to "Money Safe" accounts are secured and can only be released after in-person verification at the branch to prevent funds from being transferred by scammers. Additionally, in response to an HKMA circular on "strengthening the response to fraud and money laundering", we have enhanced our fraud control measures by incorporating "High Risk Alerts". This enhancement will trigger real-time alerts requesting customers to cancel suspicious transactions (based on high-risk data recorded in the Scameter system of the Hong Kong Police Force (HKPF)), strengthening our safeguards and enabling proactive customer engagement.

We are also helping our customers stay informed and prepared. For example, in July, we hosted a Bank Smart Seminar at our Shatin Branch in Hong Kong, where Personal Banking representatives provided guidance on securing digital transactions and safeguarding deposits and savings. In the UK, we co-organised a UK Taxation, Education, and Fraud Prevention Seminar with accounting and

education partners and hosted a Fraud Prevention Workshop for our customers as part of a local Chinese community event held in Birmingham.

These efforts are helping us to advance the Group's digitalisation journey in more responsible ways. Ongoing investments in A.I.-driven technologies continue to support the Group's modernisation of its cybersecurity defence and response systems. One such example in 2025 is the deployment of an A.I.-powered multi-factor authentication (MFA) system, which incorporates a dynamic risk engine to evaluate authentication and access requests in real time.

In July, we highlighted preventative measures implemented by BEA to combat phishing and other fraud schemes, as well as to share the Hong Kong banking industry practice during the week-long "Cyber Fraud Resilience: Advanced Strategies for Financial Institutions" training programme, organised by the World Savings and Retail Banking Institute-European Savings and Retail Banking Group (WSBI-ESBG).

Responsible digitalisation—including stronger cybersecurity and fraud protection, and greater customer engagement and education—is enhancing the efficiency and quality of our services while advancing financial inclusion. In Hong Kong, we have a range of promotions to boost the adoption of digital banking, such as lucky draws and prizes for transactions via BEA Mobile, BEA Online, BEA Mall, and BEA SmarTrade. We also incentivised our branch staff to encourage mature customers to enjoy the flexibility of online banking and share safety tips to raise awareness about potential scams. Since the launch of the revamped BEA Mobile app, the digital active ratio<sup>7</sup> among customers aged 60 and above increased to 28.6% by the end of 2025.



<sup>7</sup> Digital active ratio refers to the percentage of customers who have logged into digital banking at least once within the past 90 days.



# Responsible Operations



Integrating sustainability into our operations strengthens our business resilience and enhances our ability to deliver positive impact through our products and services. Achieving this successfully relies on BEA empowering and supporting our people, while fostering a shared commitment to maintaining a respectful workplace, as well as nurturing and developing talent.

## Positive Feedback from Our Employees

Annual employee surveys are an invaluable tool to track the effectiveness of our efforts to improve the employee experience. Insights from these surveys guide how we manage our human capital priorities and strengthen our approach and programmes for not only talent retention, but to support our people to thrive. The feedback helps us to work closely with business units and subsidiaries to design and deliver initiatives that address employees' needs.

**"Our commitment to sustainability is realised by the dedication and expertise of our people. It is essential that we empower them with the right skills and inspire them to support our vision for a sustainable future. By fostering responsible practices, we aim to lead by example and inspire impactful change throughout our value chain."**

**Tong Hon-shing**

Deputy Chief Executive & Chief Operating Officer

## Employee Pulse Survey 2025



**99.3%**

response rate to the employee survey



**90%**

of staff are positively engaged



**90%**

of staff believe their division/department/branch/company can have a clear impact on the BEA Group's ESG performance



## Supporting a Thriving Workforce

BEA prioritises employee development through sustained investment in structured training and development programmes. Throughout 2025, we delivered a diverse suite of learning opportunities, developed internally and supported by external expertise. These programmes spanned core foundational topics as well as tailored, role-specific content.



## Nurturing Group-wide ESG Capacities

Our vision for sustainability leadership is one in which all our people, up to the most senior roles, understand the ever-evolving ESG landscape. We thus require all Group staff, as well as the members of our Board-level ESG Committee, to complete mandatory ESG and climate-related training and participate in relevant workshops each year. In January, our Directors attended a training session on ESG and climate-related risks and opportunities to support the banking sector in contributing to more resilient economies amidst the global energy transition.

To build openness and engagement around the BEA Group's ESG performance, we organised a dedicated ESG sharing session for BEA China staff members, as well as two panel

discussions, which were held during a Group-wide Senior Management Town Hall and UK Town Hall.



## 2025 Training and Development Highlights

- Launched a Group-wide "BeAgile" training series to cultivate an agile mindset among our colleagues and empower them to embrace change and create value more collaboratively and effectively.
- Organised two in-house training sessions on digital currencies and tokenisation, covering regulatory developments, technology architecture, and emerging use cases for stablecoins and central bank digital currency (CBDC), enabling our leaders and teams to better understand the future of digital assets and how BEA can navigate this dynamic space.
- Continued the GBA Learning Accelerator Programme involving theme-based training for all employees, specialised training for targeted staff, and elite training for selected GBA specialists. This comprehensive programme equips participants with the knowledge, skills, and acumen needed to identify and capitalise on business opportunities in the GBA.
- Completed training of the third cohort of our Future Leader Accelerated Programme (FLAP), with 15 high-potential employees from Hong Kong, Malaysia, and the UK graduating from this two-year leadership development journey.
- Introduced a new leadership programme, "Leading with Trust and Courage", to cultivate newly promoted senior managers into value-based, resilient leaders equipped to confidently challenge the status quo, foster psychologically safe environments for their teams, and build a culture of shared accountability and empowerment.



### Building A.I. Competencies for Future-fit Teams

As A.I. continues to drive growth in the private sector, credible use cases are accelerating globally—boosting productivity while helping narrow skill gaps.<sup>8</sup> At BEA, we are maximising this opportunity by systematically building our workforce's A.I. capabilities through a Group-wide training and certification programme,

aiming to equip our colleagues to use A.I. both responsibly and at scale.

By the end of 2025, we successfully certified and upskilled 18% of our employees<sup>9</sup> on A.I. technologies. Colleagues in developer or technical roles underwent rigorous training on

big data and machine learning fundamentals, while those in user-based roles attended training sessions on applied GenA.I. in association with The Hong Kong Institute of Bankers. We are targeting 35% of staff to achieve a minimum standard of A.I. competency by 2026, with a further ambition to reach 50% by 2027.



**18%** of employees certified and upskilled on A.I. technologies

### Promoting Wellbeing

We strive to enhance the health, safety, and wellbeing of our employees both in the workplace and in their daily lives. We encourage our colleagues to adopt holistic practices that enhance their mental and physical health. These initiatives include offering nutritious canteen menus, organising monthly sports and recreational activities through the Staff Sports & Recreation Club, and providing a comprehensive Employee Assistance Programme for staff and their family members.



In 2025, to further demonstrate our commitment to prioritising the psychological wellbeing of our colleagues, we became signatories to both the Mental Health Workplace and Joyful@Healthy Workplace Charters.



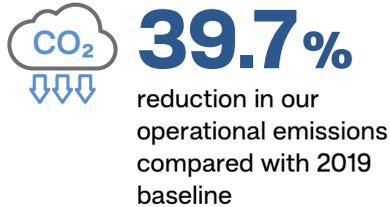
During the reporting year, we organised "BEA Bring Your Kids to Work Day" across the markets in which we operate. Staff members' children were invited to the BEA workplace to gain a glimpse of their parents' work life and participate in a range of fun-filled activities.



<sup>8</sup> [https://hai.stanford.edu/assets/files/hai\\_ai\\_index\\_report\\_2025.pdf](https://hai.stanford.edu/assets/files/hai_ai_index_report_2025.pdf)  
<sup>9</sup> This includes applicable employees at the Head Office and the BEA Global Services Centre (GSC).

## Tackling Operational Emissions

Operational emissions represent a relatively smaller share of the Group's greenhouse gas (GHG) footprint compared to financed emissions, yet they remain an important focus to reach our net zero goals and demonstrate our credible commitment to climate action.



## Progress to Achieve 2030 Net Zero Operational Emissions

In 2025, we continued to identify and implement energy reduction and decarbonisation initiatives. During the reporting period, we undertook nearly 40 energy saving initiatives and identified more than 30 green premium projects<sup>10</sup> aimed at reducing energy consumption in building facilities between 2026 and 2030.

A highlight of our 2025 efforts was the introduction of locally developed and patented energy efficiency solutions at 33 Des Voeux Road Central. Specifically, two innovative solutions were adopted:

- EcoSonic Acoustic Air-Filtration System that improves air quality while lowering energy consumption; and
- i2Film, an electricity-free cooling film that delivers cooling benefits without relying on traditional energy sources.

In alignment with our decarbonisation goals, the adoption of renewable energy is also recognised as one of our key strategies for reducing emissions. By the end of 2025, six of our premises were fully or partially powered by renewable energy including our Shanghai Zhangjiang Data Centre, which generates its



own renewable energy through a rooftop solar photovoltaic system. Currently, renewable energy constitutes 1.6% of the Group's total electricity consumption.

## Managing Resource Use

Our primarily office-based operations rely on the consumption of electricity, water, and paper, and generate materials for recycling and waste streams, which includes food waste from our staff canteens.

In Hong Kong, surveys were conducted in April to assess the satisfaction levels regarding the quality of food, variety of options, and staff expectations for canteens. Based on the feedback, we have introduced signage in our canteens to help colleagues right-size their rice portions. At our Macau Branch, we replaced the ordering and delivery of bottled water for individual water dispensers by installing water filtration devices, reducing plastic waste.

In cases where waste cannot be avoided, we turn to recycling whenever feasible. In 2025, we began recycling waste lead-acid batteries (WLAB) through the Hong Kong Battery Recycling Centre, the sole WLAB recycling facility in Hong Kong. During the reporting period, we recycled 850kg of WLAB from the replacement of fire services and security batteries across branches.



## Supply Chain Management

We also place significant focus on managing our supply chain. In 2025, we developed a Sustainable Supply Chain Management framework, which will be implemented across the Group in phases over the next five years. Building upon existing practices, the framework adopts a more integrated approach to managing our supply chain, integrating sustainability specifications in the procurement of products and services, and engaging and incentivising key suppliers to enhance their ESG performance.

<sup>10</sup> Green premium projects are energy-saving opportunities that are proactively identified and initiated outside of the routine asset lifecycle replacement schedule. These include upgrading, replacing, or optimising functional assets with more sustainable, energy-efficient solutions.

# Responsible Citizen

At BEA, we aim to create lasting positive impact through community projects and charitable partnerships by building strong relationships and leveraging shared resources, knowledge, and skills. Through our foundations and volunteer teams, we bring meaningful programmes to life across three focus areas: education, social welfare, and the environment.

**"With the longest continuous presence of any foreign bank in the Chinese Mainland, BEA has developed strong ties with the local communities we serve. Leveraging our expertise and the reach of our branch network, we extend support to under-resourced and vulnerable groups in need."**

**Bi Ming-qiang**  
Deputy Chief Executive

## Hong Kong

### Palliative Care for the Elderly Social Welfare Education



Palliative care is more than just medical treatment—it provides greater autonomy for senior citizens to self-direct life planning, and ensures that their wishes are respected at later stages of life.

During the reporting year, BEA continued to enhance the wellbeing of older adults receiving end-of-life care and improve the quality of life for Hong Kong's ageing population, through the "Palliative Care for the Elderly"

Programme, run in partnership with "la Caixa" Banking Foundation, and The Salvation Army.

The Programme has also participated in a years-long policy advocacy campaign, including engagement with representatives from numerous HKSAR Government bodies, that has spurred changes to legislation enabling terminally ill patients to spend their final days in residential care homes.

### Key Outcomes from 2010 to 2025

	<b>3,000+</b>	elderly individuals and family members received counselling
	<b>15</b>	residential care homes
	<b>18</b>	collaborating elderly centres and hospital units
	<b>8</b>	seminars, international conferences, and symposiums organised to share knowledge and best practices for the medical-social sector
	<b>10,000+</b>	healthcare professionals* have received training in palliative care education through the programme
	<b>48,000+</b>	citizens engaged in outreach programmes, such as roadshows, seminars, and community activities

(\*including doctors, nurses, and social workers)

Hong Kong

**"Golden Adventures"**

With the theme of "Golden Adventures" running from 2023 to 2026, the Programme also promotes volunteer participation and holistic elderly care, while encouraging retirees and seniors to proactively manage their finances, health, interests, and future plans as they navigate the second half of life. Activities such as soft meal preparation, terrarium workshops, "yum cha" gatherings, and festive celebrations were organised for seniors, supported by over 350 staff volunteers in 2025.



**Cultivating Compassion: Symposium on Palliative Support in Hong Kong**

In May, we celebrated the Programme's 15th anniversary with a symposium on palliative support, bringing together 300 experts in the healthcare and welfare sectors to explore innovative strategies for palliative and end-of-life care, and discuss topics including practical experience on dying-in-place cases, legislative progress on advance medical directives, and the broadening of palliative care services to a wider community. We also hosted an exhibition on "Better Living, Better Leaving" to enhance public understanding of palliative care and end-of-life services.



**Mastering the Four Forces: A Life Planning Experience and Practice Manual Unveiling**

In November, we organised an experience day for over 300 seniors and community members. The event introduced the Four Forces—Fun, Fitness, Finance, and Future Planning—with the launch of a practice manual, sharing by industry experts, and interactive booths designed by students from The Hang Seng University of Hong Kong, to promote proactive approaches to life planning.





Hong Kong

Supporting Victims of the Tai Po Fire **Social Welfare**



To help affected residents of the tragic fire at Wang Fuk Court in Tai Po with their immediate needs and long-term recovery, BEA has donated HK\$10 million to the "Support Fund for Wang Fuk Court in Tai Po" set up by the HKSAR Government.

We also launched the "BEA Community Support Fund", a special account under BEA Foundation, to encourage our staff across the Group to join us in helping those in need. Our staff's contribution of more than HK\$570,000 enabled the Hong Kong Holistic Popular Mental Health Association to provide pro bono professional psychological and psychiatric treatment and medication to the affected residents and their families.

In solidarity, BEA China's fundraising campaign mobilised employees to raise over CNY170,000 through the China Social Welfare Foundation to five NGOs in Hong Kong, with donations used to support the immediate needs of affected residents and assist with community recovery efforts.

Aside from monetary donations, BEA has implemented a series of measures to offer support for affected residents, including the extension of business hours at its Tai Po Branch and deployment of additional staff to provide necessary banking services to the neighbourhood. The Bank has also set up a special 24-hour hotline to offer banking service assistance as needed.

Chinese Mainland

Green Firefly Project **Social Welfare** **Education** **Environment**

Founded in 2009 by the Shanghai Soong Ching Ling Foundation and BEA China, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund supports children in rural areas across the Chinese Mainland by improving access to education. Many of these schools operate with limited resources—often lacking essential learning materials, school supplies, and even access to hot water—compared with their counterparts in more affluent urban areas. Since 2015, the Fund has joined forces with "la Caixa" Banking Foundation to expand the project's reach and amplify its impact.

The Fund's "Green Firefly Project" simultaneously supports advancements in education, environmental protection, and emissions reduction. In close collaboration with selected schools and BEA China's network of outlets in the Chinese Mainland, the Fund establishes and equips Green Firefly Centres with computers, audio-visual equipment, furniture, and more.

In 2025, three new Green Firefly Centres were established, bringing advanced display screens, digital tablets, and new desks and chairs to additional rural schools, with solar power generation and energy storage facilities. Additionally, more than 1,450 rural students received Green Firefly backpacks containing stationery, and around 7,100 hours of online and in-person capability-building training were organised for 235 rural principals and teachers.



2025



**3 new**  
Green Firefly  
Centres  
established

Donated backpacks  
containing school  
supplies to

**1,450+**  
rural  
students

**~7,100**  
hours

of training organised  
for **235** rural principals  
and teachers

Chinese Mainland

"Colourful Guizhou" Public Welfare Initiative Education Social Welfare Environment

In October, BEA China partnered with the Lang Lang Arts Foundation, the Shanghai Soong Ching Ling Foundation, and the One Planet Foundation to carry out the "Colourful Guizhou" (「多彩貴州」公益行) initiative. Over 20 volunteers across the BEA Group travelled to Guizhou on a mission to teach, experience, and learn. Spanning over four days, the volunteers taught at a rural primary school to share knowledge, visited the Qingman Miao Village to raise awareness of intangible cultural heritage, and bird-watched at a national wetland park to understand the importance of environmental conservation. They also witnessed the completion of a Green Firefly Music Classroom at Zhouxi Primary School in Kaiji.



NEXT Financial Literacy Competition Education

BEA China launched the NEXT Financial Literacy Competition in Shanghai in collaboration with the China Financial Information Center, the China Foundation for Development of Financial Education, the Shanghai Soong Ching Ling Foundation, the Ant Investor Education Center, the Shanghai Hong Kong Association, and the Shanghai Banking Association.

Designed to cultivate future leaders in finance, students from Shanghai and Hong Kong competed in public speaking on the development of international financial centres. In addition, our online financial knowledge quiz hosted on the Alipay app drew enthusiastic participation, generating nearly 40,000 responses.

The competition winners completed a study tour to Hong Kong and London, visiting our Head Office and engaging in dialogues with senior executives of the Group. To further broaden their exposure to leading global financial centres, the winners also explored fintech trends through **BEAST**, our pioneering fintech collaboration platform, learned about Hong Kong's monetary history and developments at the HKMA Information Centre, and gained insights into global finance at Bloomberg's London headquarters.





### Community Programmes in Other Markets

#### Social Welfare

Across our other markets, BEA volunteers helped alleviate hunger and address social exclusion associated with poverty and disabilities through inclusive activities, food drives, fundraising, and charity sales.



Charity bake sale for Make-A-Wish UK



Goodie bags distribution in Singapore



Spastic Fun Run 2025 in Kuala Lumpur

#### Environment

BEA volunteers contributed to environmental protection through hands-on clean-up, habitat restoration, and food saving activities.



Restoring woodland habitat in the UK



Clean-up along Xiangshan Hiking Trail in Taiwan



Volunteering at Food Bank in Los Angeles

#### Education

Through volunteering, BEA colleagues helped to enhance community knowledge and skills while equipping individuals with essential learning tools.



Financial literacy workshop in New York



Rehabilitation training workshop in Macau



"Operation Backpack" in New York

# **2025 Performance**



# Responsible Business

Business Ethics	23
Systemic Risk Management	25
Cybersecurity and Data Security	27
Responsible Products and Services	29
Financial Literacy and Inclusion	31
Climate-related Risk and Resilience	32
Sustainable Finance	50



## Business Ethics

### Our Approach

 BEA Group operates in a highly regulated industry where ethical conduct is non-negotiable. Credibility with all our stakeholders—including customers and regulators—depends upon staff members acting with integrity and always complying with applicable laws and regulations. Maintaining a culture of ethics at all levels helps us build trust in the Group's business and avoid fines, loss of market share, and reputational damage.

Our approach relies on robust policies, stringent controls, and strong governance. We:

- **set and enforce Codes of Conduct** to define behavioural expectations for our Directors and staff, reinforced with regular training and self-disclosure requirements;
- **provide a robust staff grievance procedure, and Whistleblowing Policy and Procedure** setting out fair and confidential escalation procedures for reporting and resolving workplace grievances, as well as ethical, environmental, and social concerns;
- **maintain zero tolerance against bribery and corruption** in alignment with our Group Policy on Anti-Bribery and Corruption and [Anti-Bribery and Corruption Statement](#), while annual training is provided to all staff members;

- **manage fraud risk** by identifying and assessing potential risks in a systematic and timely manner, working with the HKMA, HKPF and peers to share information about emerging threats and best practices, monitoring the latest trends, promoting customer awareness and education, as well as implementing our Group Policy on Fraud Risk Management;
- **combat money laundering and the financing of terrorism** through the implementation of risk-based Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) systems, training, and necessary resources in line with the Group Policy on Anti-Money Laundering and Counter-Financing of Terrorism (Group AML Policy) and [Statement on AML/CFT](#); and
- **manage tax risks and implement our tax strategy** as set out in our Group Tax Policy, in alignment with relevant international tax frameworks, while implementing strong controls over tax reporting and strictly prohibiting tax evasion.

In August, we launched a dedicated Whistleblowing Information page on our Corporate Information Sharing Platform to empower staff to report unethical or questionable practices effectively. This new page outlines the importance of whistleblowing, the available reporting channels, and our Whistleblowing Policy and Procedure, as well as practical dos and don'ts to guide responsible reporting.

**100%**  
of Directors reviewed AML/CFT, anti-bribery and corruption, and fraud risk management training materials



**100%**  
of applicable employees successfully completed Code of Conduct training, which covers integrity, anti-bribery, and corruption



Through awareness-building activities, we promote integrity practices across the Group.



## Programmes and Initiatives

### Promoting Fraud Prevention

According to the statistics disclosed by the HKPF, the number of financial deception cases in Hong Kong has risen significantly in recent years. During the reporting period, we took numerous steps to remain vigilant in the face of increasing fraud threats, and ensure our staff members uphold the highest standards of professionalism to protect the interests of the Bank Group and our customers. Details of key initiatives launched in 2025 can be found in the [ESG Highlights](#).

To further combat scams, particularly those targeting stooze account networks used by criminals for money laundering, we worked closely with the HKMA and HKPF to identify suspicious accounts. BEA has been commended by the HKPF for leveraging advanced technologies, including data and network analytics, to combat fraud and financial crime. In an appreciation letter to BEA, the HKPF stated that our efforts have led to a significant reduction in stooze accounts (i.e., accounts lent or sold to fraudsters for illegal activities) within our Bank since January. This outcome validates the effectiveness of our controls and underscores the Group's ongoing commitment to fraud prevention.



### Driving Integrity Excellence

To reinforce our culture of integrity and ethics, we launched an "Integrity Campaign" as a collaborative initiative between the first and second lines of defence. The campaign aimed to enhance staff awareness of integrity, anti-corruption, and anti-fraud practices, particularly in roles exposed to higher conduct and fraud risks.

A core component was a series of interactive sharing sessions held between April and August. In total, 29 face-to-face and online sessions were delivered, engaging more than 2,700 staff members across relevant departments of the Bank and GSC. The sessions focused on promoting ethical and responsible professional behaviours among staff members.

To sustain momentum beyond the training sessions, BEA nominated over 125 Integrity Champions across departments to support the rollout of integrity initiatives and foster accountability at the local level. These colleagues have participated in regular enablement workshops to facilitate

cross-divisional collaboration and ensure staff stay informed of emerging integrity-related risks and market developments. A range of awareness-building activities have complemented these efforts—including a screensaver design competition and interactive game booths—to embed integrity considerations into everyday business practices and reinforce key messages across the Group.



BEA was also recognised at the HKPF's Bank Staff Recognition Ceremony in March for its efforts in detecting and combating scams in 2024. Our outstanding frontline staff and fraud monitoring framework have played a critical role in safeguarding customers' assets, earning the Bank the following awards:



A staff member of our Tsuen Wan Sha Tsui Road Branch received the Spotlight Award for her successful intervention in a potential deception case.



BEA received the "Effective Collaboration with Police Scam Response Team" Award for providing time-critical intelligence that enabled successful arrests. Additionally, we were recognised with the "Award for Real Time Monitoring" for our efforts in developing real time monitoring mechanisms.



## Outlook



The Group will continue to uphold ethical business conduct supported by robust controls, regular training, and rigorous due diligence. We will remain vigilant in addressing AML/CFT, anti-fraud, and anti-bribery and corruption issues across our business while strengthening our ethical framework and integrity standards.

Looking ahead, we aim to advance compliance through the adoption of RegTech and A.I., fostering a culture of proactive and agile compliance excellence at every level.



## Systemic Risk Management

### Our Approach

Operating in interconnected global markets, the Group recognises that the effects of our activities extend beyond our own balance sheet. Our ability to maintain stable, reliable banking services supports functioning economies around the world, while the economic impact of a failure at the BEA Group could quickly grow beyond our business and customers. Prudent risk management is therefore both a financial imperative and an important sustainability topic for the Group.

We implement robust policies and procedures to identify, measure, monitor, control, and report on the full spectrum of risks that could impact our business, and, consequently, the banking systems and economies in which we operate. Our approach has been developed in line with applicable regulatory requirements and best practices. We:

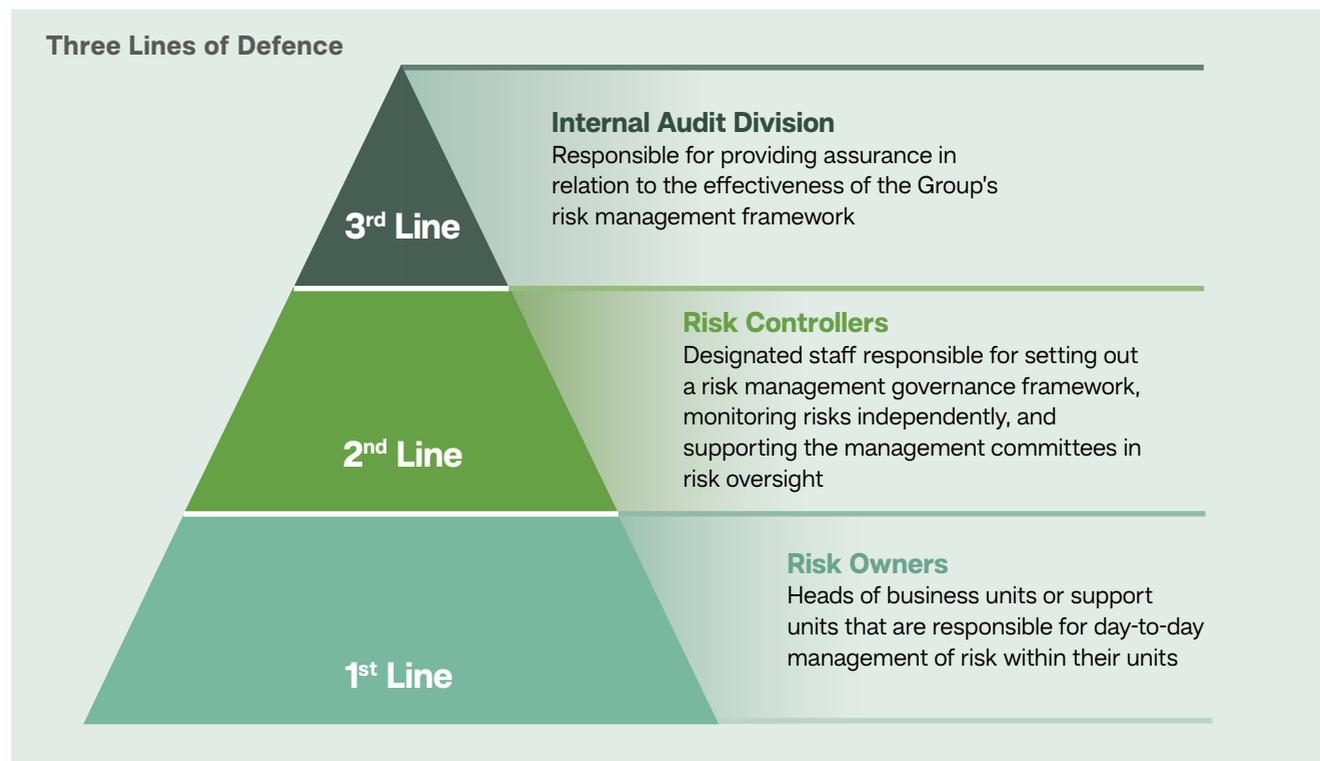
- **maintain a robust capital adequacy position** in compliance with regulatory and internal requirements;
- **define accepted and tolerated levels of risk** in line with our RASs including those with respect to ESG risks, while regularly reviewing and assessing risk appetite considering changing conditions;
- **maintain a best-in-class Enterprise Risk Management (ERM) framework** approved by the Board that provides holistic oversight of financial, operational, ESG, climate-related and other risks across "Three Lines of Defence", supported by regular training for all Directors and other employees throughout our organisation; and
- **monitor, assess, and report emerging risks to the Risk Committee** in a systematic manner, with reference to market developments, our operating conditions, and evolving regulatory priorities.

In response to evolving challenges faced by the BEA Group, we actively managed associated risks and enhanced our risk management approach in 2025:

- We continuously enhanced our credit monitoring and special asset management. This included maintaining vigilant oversight of the asset quality of our Commercial Real Estate exposure, performing portfolio reviews to assess the potential impact of tariffs imposed by the US, and identifying vulnerable accounts for tightened monitoring.

- We conducted process mapping and scenario testing, and revamped various operational procedures under the Operational Risk Management Framework and Operational Resilience Framework. These initiatives aimed to mitigate identified vulnerabilities and update business continuity plans, thereby strengthening resilience.

For more details about our risk management approach, please refer to the Principal Risk Management section of our [2025 Annual Report](#) and the [Climate-related Risk and Resilience](#) section.





**Programmes and Initiatives**



**Managing Emerging Risks**

Emerging risks are issues that are close to crystallisation and likely to have a significant impact on the Group, or whose impact is more uncertain and may crystallise over a longer horizon. They are typically high-level and thematic—for example:

- **Model risk, including the use of A.I.**, which is becoming more relevant as the Bank Group is increasingly leveraging big data analytics and machine learning models to enhance operations and performance, as detailed in the [Technology Innovation](#) section. The integration of A.I. in banking creates a high-stakes environment where operational, reputational, and compliance risks can scale rapidly. Failure in managing the risk may lead to regulatory consequences and loss of customer trust. To address these concerns, a qualitative RAS was developed to articulate our tolerance for the model risk that may arise from A.I. adoption. A governance framework and a steering committee have been established to oversee A.I. adoption and ensure compliance across the Bank Group.
- **Fraud risk**, which has become increasingly severe for the BEA Group and our customers particularly as sophisticated fraud and scams are enabled by A.I. Fraud incidents damage public perception, leading to customer dissatisfaction, loyalty loss, and potential financial and legal consequences. For detailed information on mitigating actions related to fraud risk, please see the [Business Ethics](#) section.
- **Cybersecurity risk**, which is rapidly evolving along with the Group's digitalisation. Cyber threats include, but are not limited to, website defacement, phishing, malware, and exploitation of system vulnerabilities. Cybersecurity risks threaten banks by causing significant financial losses, disrupting daily operations, and damaging the customer trust essential for their reputations. For more information on how we manage cybersecurity risk, please see the [Cybersecurity and Data Privacy](#) section.

Under the Group's ERM framework, emerging risks such as these are reported to the Risk Committee based on the latest market developments, the Group's own conditions, and regulators' upcoming supervisory focus. Selected emerging risks are closely monitored by designated internal parties. As these issues evolve and move closer to crystallisation, our understanding of the risks—and their potential impact and implications for the Group—deepen accordingly.

**10 Main Risks in Banking Management**

1	Compliance Risk
2	Credit Risk
3	Interest Rate Risk
4	Legal Risk
5	Liquidity Risk
6	Market Risk
7	Operational Risk
8	Reputation Risk
9	Strategic Risk
10	Technological Risk

**Outlook**



Looking ahead, we will prioritise rigorous assessment and active management of systemic risks that could significantly disrupt the Group's operations and the broader financial system it operates in by strengthening our ERM framework and our "Three Lines of Defence" model. We will enhance our scenario analysis and stress testing initiatives, as well as monitoring and escalation, and continue regular risk management education for all Directors and staff—so that identification, measurement, control, and reporting remain timely and effective across the Group.

We will continue to identify potential adverse events and develop methods to mitigate the impact on the BEA Group's capital adequacy and asset quality. Such measures include enhanced internal controls and thematic reviews on emerging risk areas, and stress testing on capital adequacy and impairment loss allowance. The Group's lending and investment appetite has become highly selective, with prudent and proactive risk management. From market and interest rate risk perspectives, we will continue to assess trends, manage exposure, perform hedging scenario analysis and stress testing, review our risk-taking strategy, and formulate mitigating actions as necessary.



## Cybersecurity and Data Privacy

### Our Approach

 Digital banking, fintech, A.I., and numerous other frontier technologies are reshaping financial services and creating new opportunities. At the same time, regulatory requirements are tightening while stakeholder expectations for information security and privacy are increasing. Amidst these changes, the BEA Group continues to undergo a transformative period of digitalisation—offering more products and services through digital channels that rely on secure, reliable infrastructure to operate.

As an emerging leader in digital banking services and the custodian of highly sensitive data relating to customers, employees, and partners, the Bank Group treats cybersecurity and data privacy as business critical. We:

- **strengthen governance** by leveraging our "Three Lines of Defence" risk management model, supported by clear oversight from dedicated committees;
- **enhance cybersecurity** through robust policies, monitoring, incident response, audits, vulnerability assessments, and resilience testing;
- **establish cloud and A.I. governance** that builds on integrated governance and risk management frameworks and a dedicated risk monitoring team, with a strong focus on cybersecurity controls and data protection;
- **uphold data privacy** in all jurisdictions where we operate, guided by comprehensive policies and guidelines, as well as a Group Data Protection Officer who oversees the Group's efforts to protect personal data privacy; and
- **elevate employee awareness and response readiness** through regular training and phishing simulations.

These efforts enable the BEA Group to digitalise and adopt cutting-edge solutions responsibly. For more information about how we are implementing the latest technology, as well as our approach to A.I. responsibility, please see the [Technology Innovation](#) section.

### Programmes and Initiatives



#### Strengthening Cyber Resilience

Globally, cyber threats are intensifying in scale and complexity, posing increasing financial and operational risks to organisations and economies. According to the World Economic Forum's Global Cybersecurity Outlook 2025, these systemic cybersecurity challenges are among the most significant risk factors facing global markets and institutions.<sup>11</sup> In response, we strive to implement robust security measures and eliminate cybersecurity vulnerabilities as we advance on our digitalisation journey. In 2025, teams across the Group worked collaboratively and with external specialists to enhance system effectiveness through various initiatives.

- To modernise its cybersecurity posture, the Bank Group has been investing in A.I.-driven technologies. An A.I.-powered MFA system was implemented, incorporating a dynamic risk engine that evaluates authentication and access requests in real time. Additionally, the migration to an A.I.-enabled security information and event management (SIEM) platform, integrated with User and Entity Behaviour Analytics (UEBA), has enhanced threat detection and streamlined incident response.
- In parallel, the Bank Group has been accelerating its adoption of a zero-trust security model through two key projects. The first involves the deployment of a secure access service edge (SASE) system. This will enforce zero-trust network access (ZTNA) principles, ensuring that access to corporate

resources is continuously verified. Complementing this, the uplift of the Group's micro-segmentation tool will introduce granular, application-layer access controls. This will reduce the attack surface and lateral movement risk, with phased expansion, reinforcing the Bank Group's defence-in-depth strategy.

- In the UK, a SWIFT Customer Security Programme independent assessment has strengthened security controls over systems and networks within SWIFT's scope, as well as compliance with relevant regulatory requirements. User identity verification when using our IT Helpdesk has also been enhanced, adding credential authentication to mitigate social engineering cyber-attacks in the UK.
- BEA China has implemented the "ITSM-SIEM Security Alert Management Enhancement Project" and the "2025 Security Incident and Management Platform Optimisation Project". Through these initiatives, we have standardised security alert ticketing workflows, strengthened its ability to respond to and handle security alerts in a timely manner, and enhanced log collection methodologies by adding log parsing and detection rules for additional security devices, expanding the coverage and visibility of security alert monitoring.

<sup>11</sup> <https://www.weforum.org/publications/global-cybersecurity-outlook-2025/>



**Sharing BEA's Experience**

Cyber threats and data privacy risks are a shared challenge for the banking industry and beyond. Throughout the reporting period, we shared our experiences and learned from peers at external forums, unearthing new opportunities to build more resilient digital infrastructure across our business.

**Hong Kong China Network Security Association Symposium**

BEA shared its insights on the Protection of Critical Infrastructures (Computer Systems) Ordinance, which is set for enforcement by 2026, at the Hong Kong China Network Security Association Symposium. We also highlighted the importance of administering continuous training, establishing robust incident response plans, and conducting regular drill tests to ensure operational readiness.

**AWS Summit Hong Kong**

At the annual AWS Summit Hong Kong, we shared industry insights and exchanged ideas with different thought leaders on A.I., cybersecurity, and cloud technology. Additionally, we highlighted how the Group is utilising advanced security frameworks and tools to strengthen data protection for its customers.

**Promoting Cybersecurity Awareness**

In the Chinese Mainland, we enhanced financial cybersecurity knowledge and strengthened employees' understanding of information security through a range of initiatives during China Cybersecurity Week in September. These included distributing educational materials, publishing articles on WeChat, and conducting awareness training sessions for staff on cybersecurity.

**Outlook**



The cybersecurity and data privacy landscape continues to evolve, and BEA Group will regularly review our policies and procedures to proactively respond, strengthen security and maintain regulatory compliance. The Group's security programmes will continue to adopt advanced technical solutions to uplift identity and governance management, while integrating A.I. capabilities to drive security and operational efficiencies. Furthermore, we will engage external consultants to evaluate the Group's cybersecurity controls against emerging risks to identify and implement necessary improvements. Additionally, we will monitor the latest global threats and risks by leveraging advanced technologies such as generative A.I., distributed ledger technology, as well as the HKMA's Cyber Intelligence Sharing Platform.



During the year, no information security breaches were reported

**98.7%** of employees successfully completed personal data protection and information security training




An advanced A.I.-driven threat detection system is being deployed to enable real-time monitoring and identify potential security breaches, and we continue to collaborate with fintech partners to bolster cybersecurity alongside the Group's digitalisation. We will also monitor regulatory developments, including the extraterritorial impact of data privacy law, and respond accordingly across the business.



## Responsible Products and Services

### Our Approach

 BEA Group has long been trusted for designing and marketing products and services that are fair, meet customer needs, and avoid deceptive practices or discrimination. This reputation as a responsible banking partner will always remain core to our success, and we remain committed to maintaining it by meeting two foundational requirements: responding to evolving customer needs and strict adherence to regulations set by the HKMA, the Securities and Futures Commission (SFC), the Insurance Authority (IA), and the Mandatory Provident Fund Schemes Authority (MPFA), and the regulators in other markets in which we operate. We:

- **uphold the principles of the HKMA's Treat Customers Fairly (TCF) Charter** in product design and marketing, as reflected in our Code of Conduct and Conflict of Interest Policy, while tracking progress against TCF key performance indicators (KPIs), handling complaints effectively, and providing annual training on responsible product offerings and marketing issues;
- **maintain robust new product approval procedures** covering risk assessment, business and financial analysis, and TCF and ESG considerations for relevant products and services across the Group;
- **help ensure customers make informed financial decisions** by providing clear, complete, and timely product information before, during, and after sales, with advice tailored to customer profiles and product complexity;

- **assess the financial capabilities of our customers**, as well as their risk tolerance and needs, in line with applicable regulatory requirements, before offering relevant products, services, or advice;
- **collect and recover retail and corporate debt responsibly**, while remaining fair, proportionate, and consistent in accordance with our debt collection policies; and
- **meet customer expectations** by prioritising efficient and effective handling of customer complaints in line with regulatory requirements, international standards, and best practices.

### Programmes and Initiatives



#### Tailored Design and Rollout of Services

Understanding the needs of specific customer segments helps us not only engage customers more responsibly, but also enhance the usefulness and quality of specific products and services with those needs in mind.

#### Supporting Local Businesses and Small and Medium Enterprises (SMEs)

Comprising more than 98% of businesses and employing 43% of the private sector workforce, SMEs are critical to Hong Kong's economy.<sup>12</sup> We are dedicated to meeting their evolving needs and supporting their success. During the reporting period, we introduced two new tailored loan products for SMEs as part of our Enterprise Easy Fund series, including an Energy Efficiency Loan that aims to support SMEs in their green transition, empowering them to capture business opportunities while advancing sustainable practices that help Hong Kong achieve its carbon neutrality target by 2050.

For our efforts to enable and empower local SMEs, BEA was recognised as the Best SME's Partner by the Hong Kong General Chamber of Small & Medium Business for the 18th consecutive year, once again reaffirming our commitment to enhancing our services for this important group. Some of our other key initiatives include the:

- upgrade of BEA Corporate Online with a user-friendly interface and consolidated dashboards to streamline the daily banking experience; and
- expansion of online and offline payment options—including credit card, Alipay, WeChat Pay, UnionPay QR code, Faster Payment System (FPS), and Octopus—to give SMEs greater flexibility in doing business.

#### Meeting Cross-boundary Financial Needs

During the reporting period, BEA partnered with Guangzhou Rural Commercial Bank Co., Ltd. to expand its Cross-Boundary Wealth Management Connect (WMC) 2.0 business, enabling more qualified investors in the GBA to seize southbound cross-boundary investment opportunities, including over 280 eligible fund products.

Eligible GBA residents who successfully open a Southbound account can instantly benefit from BEA's advanced digital banking services (including BEA Mobile and BEA Online) and access a comprehensive range of wealth management and investment services, along with the latest market insights.

<sup>12</sup> [https://www.gov.hk/en/about/about/hk/factsheets/docs/trade\\_industry.pdf](https://www.gov.hk/en/about/about/hk/factsheets/docs/trade_industry.pdf)



In recognition of the Group's performance during the year under review, we took home seven prestigious awards at the Bloomberg Businessweek (Chinese Edition) Financial Institutions Awards 2025:



- Excellence Award - Digital Marketing (Branding), Clients Engagement; and
- Outstanding Award - Bank of the Year, Asia Pacific High Net Worth Service, Integrated Marketing (Branding Promotion), Premium Segment Client Service, SME Engagement (Greater Bay Area).



At the Suzhou Financial Cooperation and Exchange Conference (Hong Kong) in September, BEA signed a comprehensive memorandum of understanding with Bank of Suzhou, strengthening financial ties between Suzhou and Hong Kong. Combining BEA's deep international expertise and Bank of Suzhou's strong regional network and client base, this partnership aims to deliver comprehensive cross-boundary financial services to meet enterprises' evolving business and individuals' different life cycle needs. Additionally, this strategic collaboration will also further open opportunities in corporate banking, green finance, and wealth management in the two cities.

In October, we celebrated 40 years of dedicated service to the people and businesses of Shenzhen with the opening of our flagship outlet in the Futian District, further expanding the Group's network in the city. Situated within the central business district of Futian, and near the Futian high-speed rail station, the outlet offers efficient and convenient cross-boundary banking and wealth management services for customers who frequently travel between Shenzhen and Hong Kong.

These services were recognised at the Euromoney Greater Bay Area Awards 2025, in which BEA was named the Best Bank for the WMC 2025. The award recognised our 197% year-on-year increase in RMB remittance volume under the WMC framework, far exceeding the market average of 105%.

In June, BEA became one of the first six banks in Hong Kong to participate in Payment Connect, a service jointly implemented by the HKMA and the People's Bank of China (PBOC) that links the FPS in Hong Kong with the Internet Banking Payment System in the Chinese Mainland. This integration allows residents in both regions to make instant cross-boundary remittances in their local currencies using the recipient's mobile number or account number, without requiring visits to physical branches, being restricted by cut-off times, or incurring additional handling fees.

In August, the Cross-Border Merger and Acquisition (M&A) Alliance of the GBA was officially established in Qianhai, Shenzhen. With BEA China playing a key role, the alliance aims to integrate cross-border financial service resources to provide end-to-end support for corporates in the GBA that are seeking overseas acquisitions and investments. During the launch ceremony, a CNY10 billion syndicated M&A credit facility was established, providing strong financial support for companies that aim to conduct cross-border M&A and expand their international business while also contributing to the GBA's competitiveness.

### Enhancing Service Excellence

In July, the Service Quality Bulletin, a semi-annual publication, was introduced to provide valuable tips to all frontline staff, including those in Call Centres and branch teams. Its objective is to promote a culture of continuous improvement and elevate service quality across the Group.

### Outlook



We will continue developing responsible products and services to keep pace with evolving customer needs and regulatory expectations. We will further invest in enhancing our internal processes—from new product approval to complaint handling—in line with international best practices, preserving consumer and stakeholder confidence and generating positive outcomes for our customers.



## Financial Literacy and Inclusion

### Our Approach

 Having provided financial services in the markets we serve for more than a century, BEA has long played an important role in promoting financial education so our customers and other members of these communities can make better choices.

As a signatory to the TCF Charter in Hong Kong, BEA helps ensure customer satisfaction by embedding financial education in service delivery and extending these TCF principles to other markets. We:

- **provide accessible banking services** for everyone;
- **empower individuals**—especially vulnerable and underserved groups—to manage their money, budget and invest wisely, and avoid scams; and
- **enable SMEs to grow and operate responsibly**, including through microfinance products and services.

For more information about how we implement the TCF Charter, please see the Management Approach for [Responsible Products and Services](#) section.

Digital active ratio among customers aged 60 and above

**28.6%**  
(+3 pp yoy)



### Programmes and Initiatives



#### Empowering the Next Generation of Banking Clients

Today's youth are already in the financial mainstream, yet one in five still lacks basic financial literacy.<sup>13</sup>

Recognising this, in July, we organised a day tour in Hong Kong for the next-generation private banking clients of our strategic partner, Dongguan Rural Commercial Bank. During the visit, guests learned about Hong Kong's financial industry and BEA's rich history, followed by a talk from Hong Kong Talent Engage highlighting the many opportunities the city offers.

#### Keeping Elderly Customers Safe against Financial Fraud

While promoting digital banking, we are also aware of the increasing scams associated with it, especially those targeting vulnerable groups, such as the elderly. To address this, our branches in Hong Kong and overseas markets organised seminars and workshops to empower senior customers with practical knowledge and skills to effectively manage and safeguard their finances. For more information about our efforts to encourage the adoption of digital banking among mature customers as well as prevent financial fraud and scams, including our participation in the "Money Safe" protection initiative, please see the [ESG Highlights](#) section.

We also engage in sharing financial knowledge and guidance with both young people and senior citizens through various community activities across our markets. These efforts aim to cultivate positive attitudes and behaviours towards money management across all stages of life. To learn more about our community initiatives to promote financial literacy, please see the [Community Investment](#) section.

### Outlook



To promote financial literacy and inclusion, we will continue to leverage our enhanced digital banking services, featuring user-friendly platforms, step-by-step guides, and streamlined login processes. We will also expand our offerings to meet evolving customer needs and comply with regulatory guidance wherever applicable, such as the Financial Conduct Authority's expectations on "Consumer Duty and Vulnerable Customers", shared through regular updates and seminars. Recognising the increasing risks posed by scams, we will continue to focus on empowering our senior customers by providing them with the necessary tools, resources, and education to better protect themselves.



BEA received Investor and Financial Education Award (Corporate) 2025 Merit Award.

<sup>13</sup> <https://www.oecd.org/en/blogs/2025/03/the-role-of-financial-literacy.html>



## Climate-related Risk and Resilience

### Our Approach

 2025 marks the tenth anniversary of the Paris Agreement. While temperatures continue to rise and carbon emissions persist, the rate of increase has slowed, and the adoption of renewable energy has surged.<sup>14</sup> Despite some backtracking in parts of the world, the Chinese Mainland has for the first time committed to an absolute emissions reduction target—aiming to cut its emissions by up to 10% by 2035. Meanwhile, governments globally are increasingly driving climate action in the private sector through regulation and policy, ranging from mandating stringent climate-related disclosure requirements founded upon the IFRS Sustainability Disclosure Standards to mandating carbon taxes and caps.

At the same time, the physical impacts of the climate crisis have been increasing in different areas across the globe, with scientists attributing the increased severity of specific events—including extreme heat, wildfires, flooding, and storms—to anthropogenic climate change.

These developments present both risks and opportunities for BEA Group as a multinational financial institution and our portfolio companies. Amidst an evolving landscape, we remain committed to pursuing and enhancing our long-term climate strategy and creating a climate-resilient organisation positioned to drive and thrive in a low-carbon economy, as aligned with the Sustainable Finance Action Agenda of the HKMA.

As part of the Group's climate action, we:

- integrate climate-related risks and opportunities into our **governance** and decision-making processes;
- execute a robust climate **strategy** to reduce GHG emissions and enhance climate resilience at both the operational and portfolio levels, improve the Group's efficiency, reduce cost, and extend the positive impact through our growing business;
- implement climate-related **risk management** measures that support our customers' low-carbon transitions, and effectively mitigate climate-related risks in our portfolio; and
- establish clear **metrics and targets** to measure progress on our climate-related goals, supported by regular monitoring and reporting.

### Governance



Climate-related risks and opportunities are critical business issues that have been well integrated into the Group's overall governance approach.

#### Governance Structures

Climate-related responsibilities flow from the Board through to management committees, divisions, and various departments within the Group, which together function as a comprehensive and integrated communication and management network. This approach has proven effective in facilitating the flow of information, ensuring that climate-related matters are communicated and understood by relevant stakeholders at all levels.

For more information, please see the [Corporate Governance](#) section.

### Incentivising Climate Action

BEA provides monetary incentives for employees across the Group, including Senior Management, to drive sustainability performance. As outlined in our Remuneration Policy, ESG and climate-related metrics are among the non-financial criteria in the performance scorecard used for determining employees' variable compensation plans.

Since 2021, ESG and climate-related targets and metrics has been incorporated into the Group's performance scorecard and further cascaded to the scorecards of relevant business units and divisions. Progress made against these targets was then used to evaluate the performance and determine variable compensation for both our staff and senior executives. In 2025, these metrics included measuring financed emissions, setting interim financed emissions reduction targets, developing transition plans for carbon-intensive sectors, and reducing the Group's operational emissions by 39% compared to the 2019 baseline.

### Board-level Climate Action in 2025



Approved interim **financed emissions reduction targets for the Aviation and Commercial Real Estate** sector portfolios



Approved the **Net Zero Operations Execution Plan** outlining our decarbonisation strategy for the Group's operations



Approved the updated **Group Responsible Investment Policy (GRIP)**



Reviewed the **Bank Group Scorecard ESG Goals** for 2026, which aim to ensure that BEA remains on track to achieve its interim financed emissions reduction targets as well as net zero operational emissions by 2030

<sup>14</sup> <https://www.ft.com/reports/managing-climate-change>



**Strategy**



We support global efforts to transition to a low-carbon economy and is working to address emissions reduction and climate resilience at both the operational and portfolio levels.

**Our Net Zero Commitment**

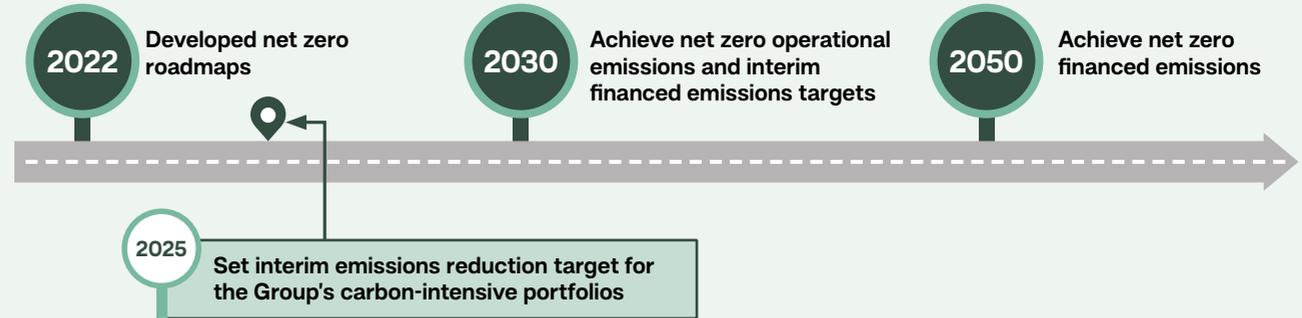
Our climate change mitigation strategy is guided by our commitments to achieving net zero operational emissions (i.e., Scope 1 and 2) by 2030, as well as net zero financed emissions within our portfolio (i.e., Scope 3) by 2050. This commitment aligns with the Paris Agreement's goal to limit the increase in global temperatures to well below 2°C, with a preference towards limiting it to 1.5°C.

Our Board-approved net zero roadmaps delineate our strategy for achieving net zero, detailing the specific action items, focus areas, and interim targets for the short, medium, and long terms necessary to meet our ambitious goal. These critical commitments are fully supported by the highest levels of our organisation and have been embedded into the Group's rolling five-year plan, which guides the Board in shaping our vision, strategy, and targets.

This section focuses on our efforts to address climate change within our financing activities. For more details on how our efforts apply within our operations, please refer to the [Operational Emissions Reduction](#) section under the Responsible Operations chapter.



BEA joins the UN Principles for Responsible Banking.



**Transition Planning**

As is typical for a financial institution, the vast majority of the BEA Group's emissions are financed emissions. The Group's transition therefore depends on how effectively we manage our portfolio emissions. To support this goal, we have developed a robust and comprehensive net zero transition strategy that both informs and guides our decarbonisation efforts across the entire portfolio. This strategy focuses on enhancing governance, customer assessment, data management, and decision-making processes to achieve meaningful progress towards our climate-related goals.

Our policy and internal governance process include monitoring the alignment of our portfolio with our emissions reduction targets. This ensures that our financing and investment decisions support our science-based targets, and progress is regularly reviewed during our ESG governance meetings to ensure progress remains on track to achieve our net zero objectives.

For customers within our scope of financed emissions measurement, we regularly conduct customer reviews to evaluate the credibility of their transition plans and their readiness to align with net zero goals and industry best practices. The process enables us to engage proactively with customers on their decarbonisation journeys and identify potential risks and opportunities. We have also developed our financed emissions dashboard, featuring a dynamic simulator

to conduct "what-if" analyses and evaluate the carbon impact of new lending opportunities, to facilitate more granular and frequent tracking of portfolio emissions, supporting more informed decision making and customer engagement strategies. These include assisting customers in their decarbonisation journeys or, when necessary, winding down relationships with customers who show little progress in their transition efforts. During the reporting period, we also proposed integrating the assessment of our customers' transition readiness into the credit decision-making and review process from mid-2026 onwards. We will evaluate decarbonisation strategies during customer onboarding and annual credit review, as well as sharing data collection requirements and ensuring our customers understand the Bank Group's requirements for tracking their progress.

For our investment portfolio, we focus on embedding decarbonisation considerations into our decision-making process, prioritising investees with robust transition strategies and strong environmental performance. To ensure alignment with our net zero objectives, we conduct periodic reviews of portfolio emissions to track progress and refine our investment approach when needed.

For details on our sectoral transition plans, please refer to the [Metrics and Targets](#) section.



## Customer Engagement

Customer relationships are an opportunity to amplify our positive impact on the environment as we facilitate customers' low-carbon transition. Having collected all available emissions and transition plan data for portfolio companies in the Group's carbon-intensive sectors, we have developed detailed customer engagement approaches to encourage and support our customers to reduce their emissions. This includes implementing a framework to evaluate our customers' transition readiness. Assessment elements include emissions reduction targets, net zero commitments, as well as climate-related governance and disclosure, among others. Our individual business units—including BEA China and our International Division—have also conducted their own portfolio studies and developed tailored customer engagement strategies aligned with our Group-wide framework.

Our customer engagement efforts include regular communication to explain our transition efforts and understand customers' progress. We also conduct workshops on green and sustainable finance, updates on government green policies, and transition planning. Additionally, we assess customers' green and sustainable financing needs, recommend ESG partners, and provide financing for related projects.

For customers in carbon-intensive sectors, we have launched sector transition solutions designed to support their low-carbon transition. Sector-specific decarbonisation technologies are identified and assessed according to effectiveness, feasibility and payback period criteria, as well as alignment with relevant green taxonomies to identify GSF eligibility. These tools are helping to drive more productive relationships and deeper emissions reductions with customers in these sectors.

## Climate-focused Stress Testing

Scenario analysis and stress testing are effective tools to help us to assess the financial impacts and climate resilience of our business portfolio and operations in different scenarios. We have drawn upon commonly referenced scenarios introduced by several international associations, including those developed by the Central Banks and Supervisors of the Network for Greening the Financial System (NGFS). These scenarios examine a range of plausible outcomes, influenced by factors such as climate change, transition policies, technological developments and changes in preferences. While detailed scenario analysis is not conducted at the portfolio level, the results provide a macro-level perspective and guide the formulation of forward-looking strategic plans to help us prepare for and mitigate the uncertainties arising from climate change. It also helps us evaluate and improve gaps in our internal data infrastructure to support timely and regular monitoring of climate-related risks.

The HKMA-led climate risk stress test (CRST) exercise, first conducted in 2021, is a key initiative we use to understand climate-related impacts under extreme emission pathways. The 2023–2024 CRST exercise was further enhanced to apply a diverse range of scenarios: one short-term (2023–2027) scenario and three long-term (2023–2050) scenarios (i.e., below 2°C, delayed transition, current policies) with reference to climate models developed by the NGFS. The referenced NGFS scenarios are most relevant to the Group and our climate-related ambitions as they were developed specifically for banks and include a long-term scenario aligned with the goal of the Paris Agreement to limit warming to 2°C above pre-industrial levels. The three long-term scenarios generate a comprehensive view of the extreme emission pathways based on the world's transition efforts, which are effective in examining the Group's climate resilience.



**Below 2°C** assumes that climate policies are introduced immediately and gradually become more stringent.



**Delayed Transition** assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C, leading to higher transition risk than the Below 2°C scenario.



**Current Policies** assume that only currently implemented policies are preserved, leading to high physical risk.

Each scenario incorporates assumptions about changes in climate patterns and transition indicators, such as carbon emissions, pricing, energy mix, and technological advancement. For more details, please refer to HKMA's [Guidelines for Banking Sector Climate Risk Stress Test](#).

The CRST covers all BEA operating locations, as well as portfolio exposure (e.g., loans, debt/equity investments) and operating premises and assets (e.g., branches, automated teller machines (ATMs)). The exercise highlights the financial impacts of physical and transition risk-related matters on the Group, ranging from impacts on asset quality (e.g., customer repayment ability, collateral quality) and valuation of financial instruments (e.g., market fluctuation) to operational losses (e.g., operational damage to bank premises and assets, business disruption).

A refresh exercise of our CRST was performed in 2025, making reference to the result of the 2023–2024 CRST exercise. Portfolio size, credit quality of counterparties, and exposures to brown sectors of 2025 were examined to evaluate their impact on the stressed results. Stressed physical risk impact on residential mortgage collaterals was modelled to derive change in collateral value and loan-to-value ratio.



Due to our strong capital buffers built up over the years, the CRST indicated that financial impacts from climate change do not create significant capital impact on the Group under the short-term and long-term scenarios. Our diversified collateral portfolio is robust to absorb modelled property devaluations in high-risk locations. Overall, CRST findings currently confirm that our existing strategy and business model remain resilient to the impacts of climate change across various scenarios. We will continue to monitor its lending and investment portfolio while working towards its net zero commitment and managing climate-related risks.

Challenges and limitations were identified in conducting the CRST, including data limitations in forecasting climatic events and quantifying financial impacts. Despite these challenges, the exercise facilitates our fundamental analysis of portfolio concentration and risk identification. As methodologies for scenario analysis continue to evolve, we will actively enhance our capabilities through technology adoption and process improvements.

In 2025, BEA completed a green fintech proof of concept, which will be used as the basis of a customised climate risk modelling and analytics prototype tool to enhance the results of the CRST. The tool will evaluate climate-related risks of borrowers in our lending portfolio and support a comprehensive impact analysis, assessing the profits and losses, assets and liabilities, as well as the liquidity of and capital impact on the borrower. Using scenario-adjusted financial forecasts, we will apply quantitative corporate rating models (e.g., Moody's scorecard, the Group's internal model) to calculate ratings and the probability of default for counterparties. Stressed financial ratios will be derived and applied to corporate scorecards to obtain final stressed ratings. Results of the proof of concept have been promising, and we will examine future use cases to enhance our climate-related risk management capabilities.

### Incorporating Physical and Transition Risk into Credit Risk Factors of Stress Testing



#### Physical Risk

The risk related to extreme weather events or longer-term shifts in climate patterns, which could disrupt business operations and damage assets.

Using publicly available data from government agencies or researchers to determine locations exposed to significant extreme weather events

Assessments account for weather hazards, including typhoons, rainstorms, inundation, and heatwaves, which may damage real estate collateral, physical assets of customer companies, and disrupt business operations



#### Transition Risk

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

Assessments assume governmental bodies will implement climate-related transition policies, such as carbon pricing, which could increase operational expenses

New low-carbon technology will become available, and customers will invest in these technologies to reduce carbon emissions, affecting customer leverage

Demand for high-carbon-emitting products and services is expected to decline

Sectoral impact analyses are conducted for brown sector customers severely affected by climate-related policies and other future transition trends, including counterparty-level assessments to understand the granular impacts





### Risk Management



We seek to manage climate-related risks in line with our Group-wide commitment to prudent risk management.

The key purpose of climate-related risk management is to manage the far-reaching implications of climate change, which could potentially trigger a radical shift in economic activities and resource allocation. Climate risk drivers could translate into one or more principal risks of the Bank Group, as we need to understand the Group's vulnerability to climate-related risks.

### Risk Identification and Measurement

Besides identifying climate-related risks at a portfolio level using CRST, we have developed dedicated tools to identify and measure climate-related risks at counterparty and sectoral levels, providing a comprehensive approach to scrutinise risks across our business.

### Enhancing Counterparty-Level Climate-related Risk Assessment

Our climate-related risk assessment process for customers in our corporate loan and bond investment portfolio includes an enhanced climate-related risk assessment template. This tool enables our teams to better understand the physical and transition risks applicable to our customers and the required risk mitigation efforts. The results also help us examine concentrations of higher-risk portfolios, develop appropriate risk management strategies, and provide customised support to customers in future engagements.

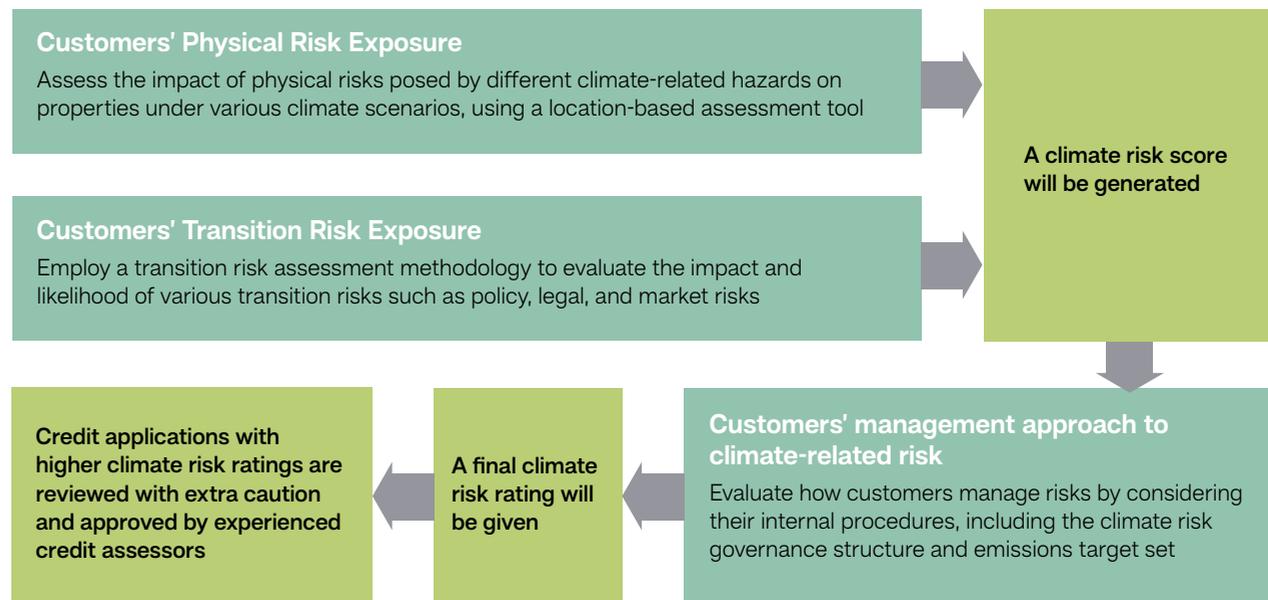
Customers' climate-related risks are assessed according to physical and transition risk exposure. For physical risk, this includes location-specific risks leveraging a physical risk assessment tool. Transition risk is assessed by understanding the impact and likelihood of risk drivers, including policy and legal, technology, market, and reputational risks. A climate risk score is calculated by considering the specific risks relevant to each customer. By examining these risks alongside the customer's ability to effectively manage and mitigate them, a conclusive climate risk rating is generated. Credit applications with higher climate risk ratings are reviewed with extra caution and approved by experienced credit assessors.

To further streamline and improve the data quality of the climate-related risk assessment template, we have completed a proof of concept to develop a generative A.I. tool for assisting in the completion of the template. The tool is equipped with analytical and information gathering functionalities, which provide relationship managers with summarised climate-related risk information efficiently. The A.I. model is trained with customised knowledge bases containing climate change and transition-related information, especially for hard-to-abate sectors. In the area of transition risk assessment, risk drivers, transition effort, global and country-level transition pathways, potential financial impacts and other risk factors are analysed by the A.I. model, and relevant justifications are generated for an assessor's examination. The proof of concept will be further examined for formal implementation.

### Understanding Sector-Specific Climate-related Risk Exposure

Our proprietary climate risk heatmap helps teams across BEA to quickly identify sectors that are highly vulnerable to climate change. The tool incorporates a set of vulnerability ratings (i.e., low, medium, high, extreme) to assess different transition and physical risks in various industries. Impacts are considered across numerous parameters, including revenue, cost, operational disruption, asset damage, and market share. The tool helps our business units monitor sectoral risk profiles and prioritise resources to assist customers in vulnerable sectors to develop climate resilience and transition plans, helping us accelerate mitigation efforts while developing our sustainable finance business.

### Our Counterparty-Level Climate-related Risk Assessment





### Climate-related Risks and Opportunities

Through our ERM framework and practices, engagement with our internal financial and non-financial Risk Controllers and external stakeholders, as well as extensive research on the impacts of identified climate-related risks, we have identified emerging climate-related risks and opportunities that may materially affect our business and operations.

The following pages outline our material climate-related risks and opportunities. Going forward, we will continue to monitor the evolving landscape and track our progress in managing these risks and opportunities.

Category	Climate-related Risks and Opportunities	Drivers of Risks and Opportunities	Related Principal Risk Types	Current/Anticipated Financial Effects	Value Chain Location	Time Horizon <sup>15</sup>	BEA Group's Response
Opportunity	Access to new capital and business opportunities	Investors and other stakeholders, including customers, are increasingly aware of financial risks and opportunities associated with climate change, and have begun to use this knowledge when making investment decisions. The Group recognises this global paradigm shift and is taking climate-informed actions, including mitigation and adaptation, into our operations, products, and services.	NA	<p>Integrating environmental and climate-related matters into our operations, products, and services could enhance access to international capital markets while helping to reduce our exposure to bad debt and investment risk.</p> <p>Moreover, effective demonstration of the Group's ability to address and manage climate-related risks, particularly when aligned with the efforts of climate-focused regulators in markets such as the Chinese Mainland, may open new financial channels with easier access to lower-cost funds.</p> <p>By the end of 2025, the Group's total GSF loans and ESG bond investments have grown to HK\$92.2 billion.</p>	Own operations, and downstream	Short to long term	<p>In recognition of increasing market demand for green and sustainable financing solutions, we are working closely with customers to provide green, sustainability-linked, and social loans, supporting their transition to sustainable and low-carbon business models. To provide further support, dedicated GSF advisory teams have been established in Hong Kong and the Chinese Mainland.</p> <p>BEA has also been exploring the feasibility of adopting emerging GSF products, such as transition loans, to meet evolving customer needs. Moreover, the GSF framework will be regularly updated to reflect emerging trends and capitalise on new opportunities.</p> <p>For more details, please refer to the <a href="#">Sustainable Finance</a> section.</p>

<sup>15</sup> Short term: less than a year; Medium term: 1 to 5 years; Long term: more than 5 years



Category	Climate-related Risks and Opportunities	Drivers of Risks and Opportunities	Related Principal Risk Types	Current/Anticipated Financial Effects	Value Chain Location	Time Horizon	BEA Group's Response
Risk (Physical risk)	Effect of climate change on the Group's premises and branches arising from acute and chronic climatic events	Extreme climatic events and chronic impacts place a heavy burden on the Group's business continuity systems and must be considered in their design. Inadequate protection may result in business disruptions, impacting the Group's personnel and customers, workplace safety, critical infrastructure, and system dependencies.	Operational	The Group's operational capacity and cost expenditure could be negatively impacted if extreme climatic events or chronic impacts cause significant damage to our office premises and other assets, including retail branches and ATMs.	Own operations	Short to long term	In 2025, the Group incorporated climate risk into its Business Continuity Management Framework and Operational Resilience Framework. In addition, the Board approved extreme weather events as an operational resilience scenario. Appropriate response and recovery measures have been implemented to safeguard the continuity of critical operations during disruptive events. These include conducting risk assessments of new branches and installing facilities such as water detection systems, floodgate, water extraction equipment, and dual-feed electricity supply in offices, data centres, and warehouses to minimise the impacts of extreme weather.
	Effect of physical risks on the financial fluidity and profitability of loans and investments	Extreme climatic events, such as rising sea levels and intensifying typhoons, are a physical risk that may lead to the devaluation of real estate collateral and the investment portfolio of the Group.  Additionally, the worsening impacts of climate change will have a profound effect on the global economy through direct losses due to physical damage from extreme weather events.	Credit and Market	Acute climate impacts have the potential to negatively affect customers' profitability as well as the Group's portfolio and investments. Moreover, chronic climatic shifts may impact the economic outlook at a macro level, leading to deteriorating financial market performance, a weakened macroeconomy, and devaluation of assets held as collateral.	Own operations and downstream	Medium to long term	Recognising that physical risks can damage property and potentially increase the Bank Group's credit losses in the event of default, we introduced a new quantitative metric to monitor our RAS: High physical risk residential mortgage collateral concentration.  To calculate this concentration, we utilise the HKMA physical risk platform to assess the physical risks associated with each collateral within scope and calculates the concentration of high-risk collaterals within the portfolio.



Category	Climate-related Risks and Opportunities	Drivers of Risks and Opportunities	Related Principal Risk Types	Current/Anticipated Financial Effects	Value Chain Location	Time Horizon	BEA Group's Response
Risk (Transition risk)	Effect of transition risks on the financial fluidity and profitability of loans and investments	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 banks financing these industries.	Credit and Market	<p>An acute and fast-paced transition to a low-carbon economy could degrade the asset quality of the Group's loans and advances to customers, as well as the value of investments in carbon-intensive industries.</p> <p>Additionally, transition risks may manifest as increased expenses or decreased revenue due to carbon taxes, stranded fixed assets, and shifts in market sentiment. Moreover, if the profitability of customers and security issuers is adversely affected by a sharp transition to a low-carbon economy, this may substantially affect their repayment abilities.</p> <p>The Group's capital adequacy ratio could decrease due to rising credit loss and an increase in risk-weighted assets associated with carbon-intensive exposures. Our long-term climate risk stress testing projected a reduction of less than 1% in the capital adequacy ratio.</p> <p>By the end of 2025, our exposure to brown sectors comprised 12.2% of our total loan and bond investment assets.</p>	Own operations and downstream	Medium to long term	<p>BEA is actively monitoring exposure to climate-related transition risks by measuring our financed emissions and monitoring our exposure to brown sectors.</p> <p>Guided by the Group's net zero roadmap and targets set for carbon-intensive sectors, BEA is proactively adjusting its portfolio towards low-carbon-emitting industries, aiming to achieve net zero emissions in financed activities by 2050.</p> <p>With the GSF framework, we encourage companies in brown sectors to start their low-carbon transitions early. The sector policies identify lending activities that are considered "green" for brown sectors, which transform existing high-emitting activities into more environmentally responsible ones. This facilitates our management of financed emissions and transition risks.</p> <p>Our corporate loan and bond portfolio is assessed against a climate-related risk assessment template, which enables teams to better understand the physical and transition risks applicable to our customers and the required risk mitigation efforts.</p> <p>For more information, please refer to the <a href="#">Sustainable Finance</a> section.</p>



Category	Climate-related Risks and Opportunities	Drivers of Risks and Opportunities	Related Principal Risk Types	Current/Anticipated Financial Effects	Value Chain Location	Time Horizon	BEA Group's Response
Risk (Transition risk)	Effect of climate change on the Group's business, strategy, and operations	The financial sector faces growing expectations from diverse stakeholders to proactively manage climate-related risks and opportunities and its decarbonisation strategy as awareness of climate change rises. This includes the HKMA, which has prioritised climate in its Sustainable Finance Action Agenda and its policy on transition planning.	Strategic, Credit, Operational, Reputation, and Compliance	<p>Failure to meet growing expectations to address climate change could lead to negative impacts on business performance, operations, and the reputation of the Group, potentially affecting our profits, costs, assets, and liabilities.</p> <p>Consequently, failing to incorporate climate change considerations into BEA's risk management processes may leave significant portions of the Group's balance sheet and revenue vulnerable to escalating climate-related risks over time.</p> <p>To ensure the Group has adequate capacity to address potential risks, we employed 26 full-time equivalents dedicated to managing its sustainability strategy, sustainable operations, ESG-related risk management, and identifying opportunities.</p> <p>To mitigate the Group's exposure to transition risks, we also plan to invest approximately HK\$100 million over the next five years in lifecycle replacement projects and green premium projects related to building facilities. These efforts are part of our Net Zero Operations Execution Plan.</p>	Upstream and own operations	Short to long term	<p>In response to the evolving expectations of our stakeholders and recent regulatory developments, the Group has integrated climate change management across the Group's operations. We have also made net zero commitments and developed transition plans to guide our efforts on climate action. The Group is also building capacity over time to measure and mitigate climate-related risks and respond strategically. Our aim is to cultivate a climate-conscious culture and embed sustainability considerations into daily operations. In particular, we:</p> <ul style="list-style-type: none"> <li>• facilitate Group-wide mandatory ESG and climate-related training;</li> <li>• arrange GSF-specific training for relationship managers, familiarising them with the Group's GSF framework, relevant products, and greenwashing risks;</li> <li>• provide thematic training on climate-related risks for general managers and heads of risk management in branches across other markets, focusing on the Group's climate-related risk strategy, initiatives, market developments, regulatory changes, and internal policy requirements;</li> <li>• organise staff volunteering programmes with ESG and climate-related elements to promote staff awareness of environmental protection and climate change mitigation; and</li> <li>• review and report ESG performance, GSF trends, and climate-related risks to the Board.</li> </ul>



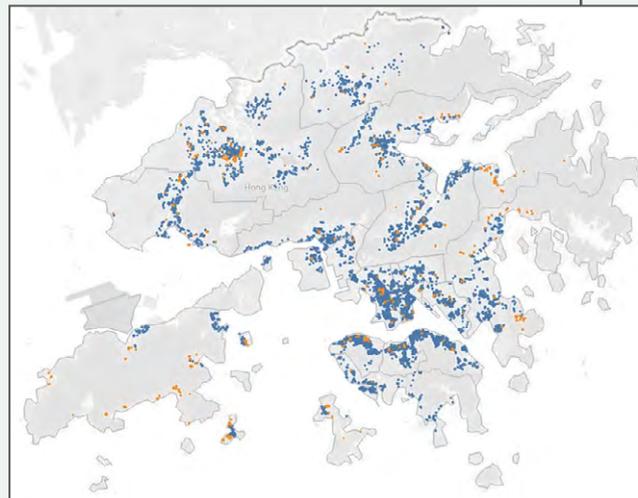
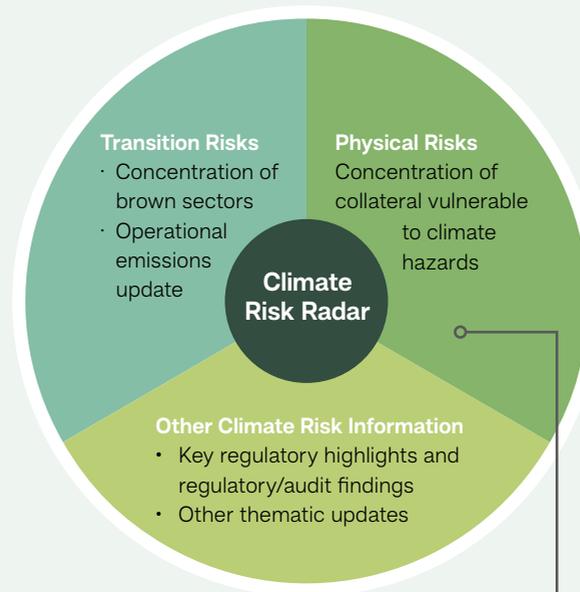
**Risk Monitoring**

We remain vigilant in addressing the ongoing challenges posed by climate change. The Group's RAS for ESG and climate-related risks serves as a critical tool to guide our efforts in managing the potential impacts of climate change on business performance. The quantitative indicators and their risk appetite thresholds are regularly reviewed to ensure their effectiveness and alignment with the Group's strategy.

RAS quantitative indicators	Key updates in 2025
Percentage of loan and debt investment outstanding in brown sectors against the total loan and debt investment assets	<b>Threshold lowered</b>
Percentage of high physical risk residential mortgage collateral against the residential mortgage portfolio	<b>New indicator</b>

Our GSF framework facilitates the classification and scoping of brown sectors without altering the Group's credit underwriting standards. It provides consistent definitions and methodologies to help manage climate-related risks and opportunities. We closely monitor exposure to seven brown sectors, which carry high transition risks at the portfolio level, and control this exposure through risk appetite limits approved by the Board. Sector-specific policies further assist our business units in identifying and acting on GSF opportunities by classifying green activities within brown sectors.

Our "Climate Risk Radar" is a quarterly dashboard designed to integrate climate oversight into the management process, providing timely reviews on climate-related risks. This tool helps visualise key elements of climate-related risk, including physical risks, transition risks, regulatory highlights, audit findings, and other thematic updates. By monitoring current risk exposure, as well as risk evolution, management can make better climate-related decisions and enhance our long-term climate resilience while supporting the Group in meeting evolving climate-related disclosure requirements.



● Mortgage collateral susceptible to climate-related physical impacts, in a high-emission scenario (RCP8.5) and long-term time horizon

**ESG Risk Hub**

An ESG Risk Hub under the Risk Management Portal, accessible via BEA's intranet, provides centralised file management and climate-related capacity building. This user-friendly platform streamlines climate-related risk management by improving access to crucial resources for staff. These resources include internal policies, assessment templates, regulations, external references, and training materials, enabling staff to stay up to date with the latest developments.

**Building Blocks of our ESG and Climate-related Risk Management**

**Enhancing Climate-related Risk Management and Resilience**

**Portfolio-level**

- RAS and relevant risk monitoring metrics
- CRST
- Climate-related risk heatmap
- Climate Risk Radar

**Counterparty-level**

- Climate-related risk assessment incorporated in credit assessment
- Climate-related data included in digitalised ESG data for analytics, management information reporting and disclosures

**Operational-level**

- Business continuity measures on extreme weather events

**Enabling Green and Sustainable Banking**

- GSF framework, including a GSF classification checklist, sector policies, sectorisation list, and a list of prohibited lending incorporating climate-related risks

**Nurturing ESG Risk Talent**

- Capacity building to establish an internal risk culture and raise awareness of climate-related risk and sustainability



### Metrics and Targets



The Group has established clear, measurable goals and targets to fulfil our climate-related ambitions, with a firm commitment to tracking and reporting progress annually.

### Scope 3 Emissions

A screening of the Group's Scope 3 emissions was carried out in 2022, showing that financed emissions comprise more than 99% of our total emissions. Therefore, we have prioritised our financed emissions among the 15 categories of Scope 3 emissions for strategic focus, performance monitoring, and disclosure.

In addition, we have been conducting a Scope 3 emissions screening exercise to assess the materiality of indirect emissions other than financed emissions (i.e., all categories excluding Category 15). The findings from this screening will inform the development of an emissions management plan in the coming years.

### Financed Emissions

We have adopted the Global GHG Accounting and Reporting Standard (the Standard) developed by the PCAF to calculate financed emissions. We actively monitor updates to the Standard and assess how changes impact our emissions estimates.

Our approach to setting and reviewing financed emissions targets is guided by key methodological decisions that align with the UN Environment Programme Finance Initiative and current industry practices. We have collaborated with a consultant specialising in emissions measurement and target setting to ensure the robustness and accuracy of our approach. Recognising the evolving nature of these practices and standards, we anticipate periodic updates to our estimates and assumptions, which may necessitate restatements. In the reporting year, we revised our baselines and targets for the Energy (Oil & Gas) and Power sectors to avoid double counting of emissions and reflect new trajectory datasets published by the International Energy Agency (IEA). As a result, we excluded midstream and downstream companies from the financed emissions value chain coverage of our Energy sector portfolio.

We have enhanced the scope and coverage of carbon-intensive sectors<sup>16</sup> in our targets. Considering emissions materiality, data availability, recognised pathways, and other relevant factors, we chose to set emissions reduction targets for the Aviation and Commercial Real Estate sectors in 2025, with approval from our ESG Committee.

Significant data challenges were identified in the Maritime sectors, primarily due to the need for physical activity data from shipping companies. While the Aluminium and Cement sectors are emissions-intensive, our current financial exposures and associated financed emissions for these sectors remain immaterial. As a result, we have decided not to set targets for these sectors at this time. We will continue to monitor exposures across all carbon-intensive sectors and reassess the need for additional targets as circumstances evolve.

### Overview of Our Net Zero Financed Emissions Progress

Sectors	2022	2023	2024	2025	2026	2027	2028	2029	2030
Energy (Oil & Gas)	Measurement	Target setting	Transition planning	Ongoing emissions monitoring and portfolio alignment					
Power									
Automotive Manufacturing		Measurement	Target setting	Transition planning	Ongoing emissions monitoring and portfolio alignment				
Steel									
Aviation		Measurement		Target setting	Transition planning	Ongoing emissions monitoring and portfolio alignment			
Commercial Real Estate									
Aluminium		Measurement (target setting when significant)							
Cement									
Maritime	Evaluation (measurement when data becomes available)								
Coal Mining				Measurement	Ongoing emissions and exposure monitoring				

<sup>16</sup> BEA scoped its emissions measurement exercise based on the HKMA's 2021 Climate Stress Test. However, starting from 2023, BEA adopted a new approach regarding sector coverage for measuring and setting targets for financed emissions.



## Limitations

A significant challenge remains the lack of publicly disclosed activity and emissions data from some customers, particularly at the asset level. In such cases, we rely on assumptions such as sector-specific and regional averages, which may introduce variability. The quality and availability of data for financed emissions calculations differ across sectors and reporting periods, leading to expected year-on-year fluctuations and inter-sectoral disparities.

As regulatory guidance, industry standards, and calculation methodologies for financed emissions evolve, future revisions to our estimates may be required, potentially affecting comparability across reporting periods.

The Group's GSF targets also involve climate-related financing. For more information, please see the [Sustainable Finance](#) section. For a more detailed overview of BEA's metrics and targets relating to GHG emissions specifically, please see the [Operational Emissions Reduction](#) section and the [Management Approach](#) section in the Appendices.

To fulfil our commitment as a signatory to PCAF, we measure financed emissions in prioritised carbon-intensive sectors, set carbon reduction targets, and report our annual progress against these sectoral targets.

## Total Financed Emissions (Scope 3 Emissions – Investment) of the BEA Group<sup>17,18,19</sup>

ESG Code/GRI Standards/Hong Kong Financial Reporting Standard (HKFRS) S2	Scope*	Unit	Source of emission factors	2024	2024 (2023 measurement boundary)	2023
ESG Code Part D Paragraph: 28(a) 28(b) 28(c)	Total	MtCO <sub>2</sub> e	Emission factors across asset classes and sectors from PCAF database	4.24	3.25	4.13
GRI 305-1	Business loans			1.95	1.52	1.03
GRI 305-2	Corporate bonds			1.95	1.73	2.06
GRI 305-3	Project finance			0.33	0.00	1.03
GRI 305-4						
HKFRS S2 Paragraph: 29(a)(i)(1) 29(a)(i)(2) 29(a)(v)						

\*Listed equities were not in scope due to limited exposure.

### Our Approach for Scope 3 Emissions

<b>Standard used</b>	The GHG Protocol: A Corporate and Reporting Standard (2004) (GHG Protocol) PCAF's Global GHG Accounting and Reporting Standard
<b>Consolidation approach</b>	Operational control
<b>Boundary</b>	Various asset classes, including corporate bonds, business loans, and project finance managed by our business operations in Hong Kong, Chinese Mainland, Macau, Taiwan, Singapore, Malaysia, the UK, and the US
<b>Sector Classification</b>	The Group utilises the Global Industry Classification Standard (GICS) to classify counterparties, applying an additional layer of review to business activities within the value chain as outlined in the "Overview of our financed emissions reduction targets" table

<sup>17</sup> Since many portfolio companies will disclose their financial and emissions data for the year ending 31 December 2025 at the same time or after the publication of this report, the financed emissions data in this report is based on the Group's 2024 performance.

<sup>18</sup> See the overview of our financed emissions reduction targets table for the scope of each sector.

<sup>19</sup> FY23 measurement boundary includes Automotive Manufacturing, Energy, Power, and Steel sectors while FY24 measurement boundary is expanded to additionally cover Aluminium, Aviation, Commercial Real Estate, Cement, and Coal Mining sectors.

Overview of Our Financed Emissions Reduction Targets<sup>20</sup>

Sectors	Value Chain Coverage	Emissions Scope Included	Reference Scenario	Target Metric	Baseline Year	Baseline Performance	FY24 Performance (change % vs. baseline)	2030 Target (% reduction from baseline)
<b>Automotive Manufacturing</b>	Manufacturing of light-duty vehicles and use-phase emissions	1-2; 3 (Category 11)	IEA NZE (2023)	gCO <sub>2</sub> e/vkm <sup>21</sup>	2023	113	136 (+20%)	61 (-46%)
<b>Aviation</b>	Aircraft-specific financing and general purpose corporate financing to airlines, aircraft operators, and aircraft leasing companies	1-2; 3 (Category 13)	Mission Possible Partnership (MPP) Prudent	gCO <sub>2</sub> e/RTK <sup>22</sup>	2024	944	-	747 (-21%)
<b>Commercial Real Estate</b>	Operational emissions from commercial properties securing property investment loans for purchase or refinancing of the collateral and non-residential mortgages where property collateral information is retrievable	1 & 2	CRREM 1.5°C	kgCO <sub>2</sub> /m <sup>2</sup>	2024	65	-	28 (-57%)
<b>Energy (Oil &amp; Gas)</b>	Upstream and integrated	1-3	IEA NZE (2023)	MtCO <sub>2</sub> e	2022	1.63	1.69 (+3%)	1.21 (-26%)
<b>Power</b>	Power generation	1 & 2	IEA NZE (2024)	tCO <sub>2</sub> e/GWh electricity & heat generated	2022	723	545 (-25%)	195 (-73%)
<b>Steel</b>	Steel manufacturing	1 & 2	MPP Technology Moratorium (MPP TM 2024)	tCO <sub>2</sub> e/t steel manufactured (tCO <sub>2</sub> e/t steel)	2023	1.86	1.63 (-12%)	1.64 (-12%)

## Carbon-intensive Sectors' Financed Emissions in Summary

Sectors	Year	Financed Emissions (in MtCO <sub>2</sub> e)		Absolute Emissions/Emissions Intensity		Data Quality Score	
		Scope 1 & 2	Scope 3	Performance	Metric	Scope 1 & 2	Scope 3
<b>Automotive Manufacturing</b>	2024	0.001	0.08	136	gCO <sub>2</sub> e/vkm	1.0	1.0
	2023	0.003	0.08	113		1.1	1.0
<b>Aviation</b>	2024	0.23	0.45	944	gCO <sub>2</sub> e/RTK	2.3	2.5
<b>Commercial Real Estate</b>	2024	0.13	N/A	65	kgCO <sub>2</sub> /m <sup>2</sup>	4.0	N/A
<b>Energy (Oil &amp; Gas)</b>	2024	0.40	1.28	1.69	MtCO <sub>2</sub> e	1.5	3.2
	2023	0.64	0.81	1.45		2.3	3.9
	2022	1.00	0.64	1.63		3.0	4.2
<b>Power</b>	2024	1.25	N/A	545	tCO <sub>2</sub> e/GWh electricity & heat generated	2.4	N/A
	2023	1.39	N/A	560		3.1	N/A
	2022	0.95	N/A	723		3.4	N/A
<b>Steel</b>	2024	0.23	N/A	1.63	tCO <sub>2</sub> e/t steel	1.0	N/A
	2023	0.65	N/A	1.86		2.8	N/A

<sup>20</sup>These targets apply to BEA and its wholly-owned subsidiaries across various asset classes, including corporate bonds, business loans, and project finance, and include all GHGs as defined by the GHG Protocol. Targets for the Power, Automotive Manufacturing, Steel, Aviation and Commercial Real Estate sectors were developed using sectoral decarbonisation approaches. Our Energy (Oil & Gas) target was developed using an Absolute Contraction Approach.

<sup>21</sup>Vehicle kilometre (vkm) is defined as the total estimated lifetime kilometres travelled by all newly manufactured light duty vehicles sold during the reporting period.

<sup>22</sup>The metric gCO<sub>2</sub>e/RTK (revenue tonne-kilometre) means the number of grams of GHGs (in CO<sub>2</sub> equivalent) emitted for every tonne of paying cargo passengers or freight carried for one kilometre by an aircraft.



Progress against Our Sectoral Financed Emissions Targets

Power



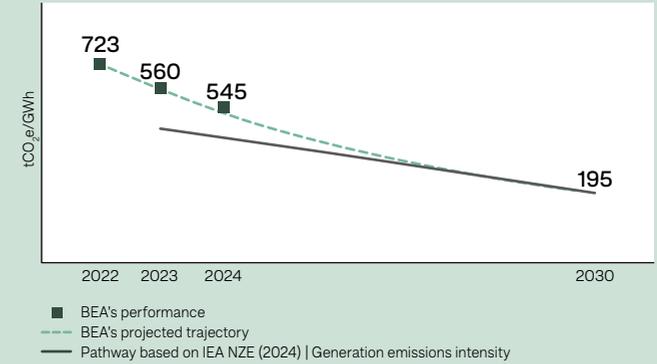
Given the reliance across sectors on electricity, the Power sector plays a crucial role in the world's ability to achieve net zero emissions. The Group established a target for this sector in 2023, using 2022 as the base year. During the reporting period, we adjusted base year emissions, our 2023 performance, and our 2030 target, taking into consideration updated data treatments, adjustments to our customers' enterprise value including cash in calculation, and the new trajectory data set from the International Energy Agency's World Energy Outlook. Our reassessment led to a nearly 9% increase in baseline emissions, which resulted in a slightly higher target reduction from 72% to 73% between the base year and 2030.

Progress in 2024

In 2024, the Group's emissions intensity was 545 tCO<sub>2</sub>e/GWh. This is a significant 25% drop from 2022, and is mainly due to the increased financing extended to renewable energy companies and for related projects.

Although the current emissions intensity of the Power sector was slightly above the restated pathway, we remain confident in our progress given the rigorous national efforts in power grid decarbonisation, as observed in the key jurisdictions represented in our portfolio.

Interim Target and Portfolio Decarbonisation Progress



Transition Plan

Portfolio diagnostics/challenges:

- The Group's lending and investment portfolios have a roughly equal share of exposure to the Power sector.
- The global shift towards renewable and low-carbon electricity is key to decarbonising the Power sector. Nearly half of our Power sector portfolio lies in the Chinese Mainland, with the remainder spread across various overseas markets. While we acknowledge national carbon neutrality and net zero pledges, as well as emissions reduction targets set by individual portfolio companies, we recognise that some targets may not align with the goals of the Paris Agreement.
- Nearly one-third of our portfolio comprises renewable energy companies, showcasing the Group's commitment to supporting the energy transition.

Decarbonisation levers:

- We will continue to enhance its customer review process to effectively assess its portfolio companies' net zero transition plans. For customers with high emissions intensity levels, we offer green and sustainable financing and introduce ESG advisory partners to assist them in their net zero transition.
- Transitioning from fossil fuel power generation to renewable energy is essential for the Power sector's net zero transition. To support the energy transition of our portfolio companies, we will continue to finance their investments in renewable

energy projects, such as wind, solar, and hydropower. In addition to renewable energy projects, we will also support projects that facilitate the use of renewable energy and improvements in energy efficiency. These include battery energy storage systems, smart meters, and high-voltage direct current (HVDC) transmission projects.

- We will also closely monitor the development of other low-carbon technologies, such as carbon capture and storage, combined heat and power cogeneration, and co-firing technology in the Power sector.



## Energy (Oil & Gas)



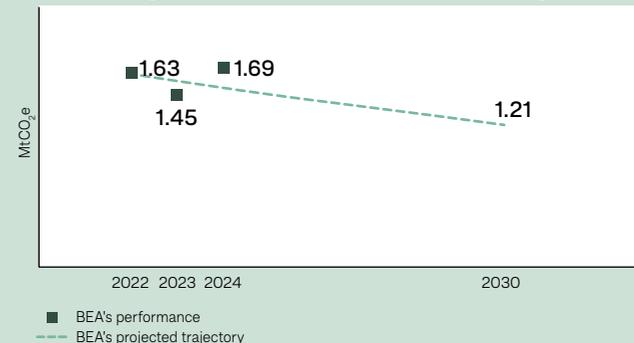
The Energy sector generates significant Scope 3 emissions, and it is linked to emissions throughout global value chains wherever its products are used. This sector plays a key role in driving down global emissions by 2050. Similar to the Power sector, the Group established its sectoral target in 2023 with a 2022 baseline, and recalibrated base year emissions, our 2023 performance, and the 2030 target during the reporting year to reflect an adjusted calculation approach. We have refined the value chain coverage for the Energy sector (i.e., from including the full value chain to including only integrated and upstream oil & gas entities) to focus on material sub-sectors and avoid double counting of financed emissions. These adjustments have resulted in an 8% reduction in baseline emissions.

### Progress in 2024

The Group's absolute financed emissions in the Energy (Oil & Gas) sector increased by 3%, from 1.63 MtCO<sub>2</sub>e in 2022 to 1.69 MtCO<sub>2</sub>e in 2024. This was mainly due to increased outstanding exposure to carbon-intensive energy companies.

As the emissions level is above BEA's projected trajectory, we are closely monitoring the portfolio and have been identifying key reduction opportunities. We will also collaborate with relevant business units to develop and implement appropriate responses.

### Interim Target and Portfolio Decarbonisation Progress



## Transition Plan

Portfolio diagnostics/challenges:

- The vast majority of our Energy (Oil & Gas) sector portfolio's coverage is from bond investments, while the geographical distribution of the sector's exposure is spread across different regions of the world. Despite the concentration of emissions in our investment portfolio, year-on-year emissions reduced through active portfolio management, taking decarbonisation into consideration. It is also observed that some debt issuers have started to explore and adopt more low-carbon energy sources in their production, including hydrogen and ammonia, while we also acknowledge that progress varies depending on the markets and jurisdictions in which they operate.

- We also observed an increase in loan financing to Energy (Oil & Gas) sector customers in the Greater China region, although the contribution to overall emissions remains insignificant.

Decarbonisation levers:

- Unlike other sectors with emissions intensity targets, the Energy (Oil & Gas) sector requires refinancing away from Energy (Oil and Gas) companies to lower the absolute financed emissions in the sector. The deviation from the emissions reduction trajectory has raised awareness of adopting tighter control of financing in the sector.
- We remain confident in achieving decarbonisation within this sector as the Group has a high degree of flexibility in adjusting our investment portfolio holdings to lower sectoral financed emissions.

- We anticipate a gradual decline in the sector's absolute emissions up to 2030 as we replenish/switch our holdings with portfolio companies with lower emissions profiles and credible transition strategies.

- We will keep abreast of the latest developments in decarbonisation technologies in the market including methane abatements (such as the elimination of venting and flaring), carbon capture and storage, the wider adoption of sustainable bioenergy, and possible applications of hydrogen and ammonia as replacements.



## Automotive Manufacturing



Road transport is a significant contributor to global emissions. Automotive manufacturers, therefore, have a critical role to play in the global net zero transition. The majority of the Automotive Manufacturing industry's value chain emissions can be attributed to the tailpipe emissions from fuel combustion produced during the lifetime use of the vehicles.

The Group has established a physical emissions intensity target to achieve a 46% reduction in our financed emissions by 2030 (61 gCO<sub>2</sub>e/vkm) from the 2023 baseline, with reference to the IEA NZE Scenario.<sup>23</sup> Most of our portfolio companies are global vehicle manufacturers, and emissions information is readily available from their sustainability reports.

Looking ahead, we are aware of the rapid development of the sector, including the switch from internal combustion engine vehicles to EVs. These developments are expected to significantly contribute to the reduction of tailpipe emissions, and we will continue to engage with key customers in the sector to support the transition.

### Progress in 2024

The Group's emissions intensity in the Automotive Manufacturing sector increased by 20%, from 113 gCO<sub>2</sub>e/vkm in 2023 to 136 gCO<sub>2</sub>e/vkm in 2024. The increase in emissions intensity stemmed from the exit of an EV manufacturer from our loan portfolio.

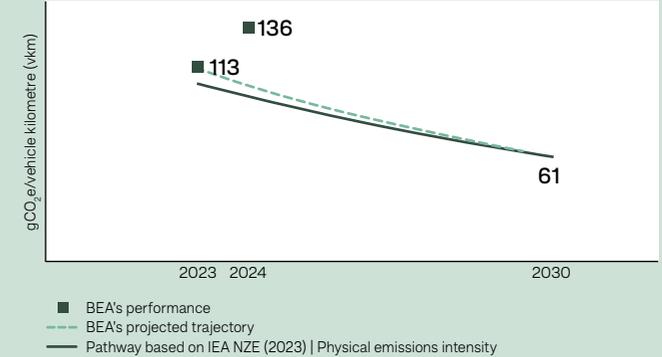
As the emissions level is above our trajectory, we are closely monitoring the portfolio companies' emissions reduction targets and progress while we explore opportunities to support companies' green investment.

### Transition Plan

Portfolio diagnostics/challenges:

- The Group's exposure to the automotive manufacturing sector stems from its investment portfolio, which is concentrated in large international automotive manufacturers.
- Decarbonising the Automotive Manufacturing sector relies on the global shift to EVs. Our portfolio companies are based in markets committed to net zero emissions by 2050 or earlier, with government plans to accelerate EV adoption.

### Interim Target and Portfolio Decarbonisation Progress



Decarbonisation levers:

- All of our portfolio companies have committed to achieving net zero emissions by 2050 or earlier and have set interim emissions reduction targets. Key decarbonisation levers for these companies include electrifying vehicle fleets, decarbonising the supply chain (including the use of less emission intensive materials), and utilising renewable energy in production.
- We will explore and support investment opportunities in automotive manufacturers that have credible decarbonisation plans and are increasing their production and sales of EV relative to internal combustion engine vehicles.

<sup>23</sup> The IEA NZE Scenario is 1.5°C-aligned and recognised the progress made in the recent update of EVs development.



## Steel



The Steel sector is a major carbon-intensive sector. Steel production is energy-intensive, requiring high-temperatures to smelt iron ore and melt metals. We established a production emissions intensity target with reference to the MPP TM<sup>24</sup> scenario to reduce our financed emissions intensity from 1.86 tCO<sub>2</sub>e/t steel in 2023 to 1.64 tCO<sub>2</sub>e/t steel by 2030, which represents a 12% reduction.<sup>25</sup>

We will continue to monitor low-carbon technology developments in the Steel sector and the national transition plans and policies of our respective portfolio companies. We will also closely monitor our customers' emissions reduction targets and their transition readiness.

### Progress in 2024

The Group's emissions intensity in the Steel sector decreased by 12%, from 1.86 tCO<sub>2</sub>e/t steel in 2023 to 1.63 tCO<sub>2</sub>e/t steel in 2024. This reduction was primarily driven by improved data quality, enabling a shift from estimates to actual reported emissions data from our customers.

The emissions level is well below our trajectory given our efforts in selecting high-quality steel producers that are actively decarbonising their operations. We will continue to closely monitor our portfolio performance and work towards the achievement of our 2030 target.

### Transition Plan

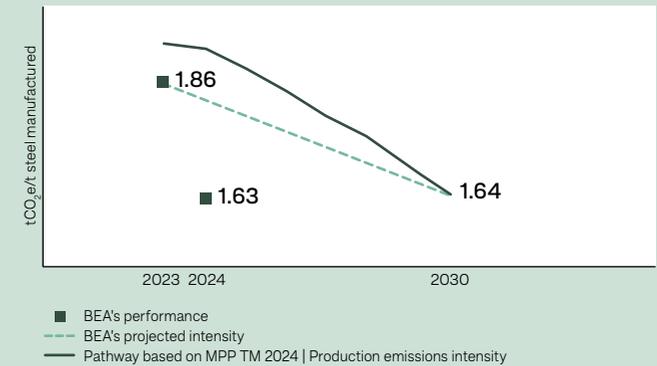
Portfolio diagnostics/challenges:

- The majority of the Group's exposure to the Steel sector is through its lending portfolio, which is located in the Chinese Mainland. China's national plan and policy to decarbonise its steel sector is also vital to the overall progress of this transition.
- Our portfolio is well-positioned because all portfolio companies have developed roadmaps to achieve carbon neutrality by 2050.

Decarbonisation levers:

- China has issued the Special Action Plan for Energy Conservation and Carbon Reduction in the Steel Industry. The plan mandates that from 2024 to 2025, the sector must

### Interim Target and Portfolio Decarbonisation Progress



reduce its emissions by 53 million tonnes of CO<sub>2</sub> through energy-saving upgrades and equipment modernisation. Furthermore, by the end of 2030, the plan mandates that the energy efficiency of key processes in the steel sector be further improved, ensuring that the energy efficiency of major energy-consuming equipment essentially reaches advanced levels, and that comprehensive energy consumption and carbon emissions per tonne of steel be significantly reduced.

- To facilitate the decarbonisation of the Steel sector, we will continue to extend transition financing aligned with recognised domestic or international standards. As an example, BEA China has provided a transition loan that adheres to domestic transition finance standards to a steel company in the Chinese Mainland, supporting their efforts to reduce emissions.

<sup>24</sup> The MPP TM scenario is 1.5°C-aligned and is preferred over other reference scenarios because it has taken into account more detailed sector-specific technological and economic conditions.

<sup>25</sup> The baseline emissions intensity level of our Steel sector portfolio in 2023 is considered relatively low, as some of our customers use recycled scrap steel in their manufacturing processes.



### Aviation



As a key mode of transportation, aviation is critical to the global net zero transition. Aviation companies play a substantive role in the net zero transition by pairing operational efficiency with the adoption of cleaner fuels. Our financed emissions scope for this sector includes emissions from aircraft-specific financing and general corporate loans to airlines, aircraft operators, and aircraft-leasing companies.

During the reporting period, we established a physical intensity target to achieve a 21% reduction in our financed emissions by 2030 (747 gCO<sub>2</sub>e/RTK) from the 2024 baseline (944 gCO<sub>2</sub>e/RTK), with reference to the MPP Prudent scenario. The Group's current emissions intensity pathway is slightly higher than the desired trajectory for several reasons. Most notably, we extend financing for short-haul aircraft, whose relatively frequent take-offs and landings result in higher emissions intensities, which can reach ~2,000 gCO<sub>2</sub>e/RTK.

### Commercial Real Estate



Commercial real estate significantly contributes to global emissions, making decarbonisation of this sector critical to achieving the global net zero transition. Our financed emissions reduction target for this sector covers operational Scopes 1 and 2 GHG emissions of whole buildings, excluding embodied emissions and emissions from refrigerants.<sup>26</sup>

In 2025, we set a physical intensity target to achieve a 57%<sup>27</sup> reduction in our financed emissions by 2030 (28 kgCO<sub>2</sub>/m<sup>2</sup>) from the 2024 baseline (65 kgCO<sub>2</sub>/m<sup>2</sup>), in line with the CRREM's modelled trajectory.<sup>28</sup>

### Outlook



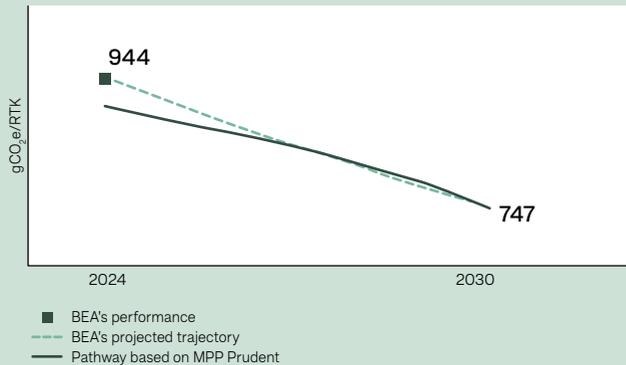
To ensure the Group is on track to achieve our interim financed emissions reduction targets by 2030, we will establish a Financed Emissions Measurement and Target Setting Methodology Framework to systemically define the scope of measurement, methodology, and data assumptions, as well as to re-baseline all sector emissions reduction targets based on the latest methodologies and data.

Given that coal is one of the most carbon-intensive fossil fuels and phasing it out is widely recognised as a fundamental step towards achieving net zero goals, the Group plans to develop a Coal Phase-out Policy in the first quarter of 2026, which will cover its financing activities related to coal-fired power generation and thermal coal mining.

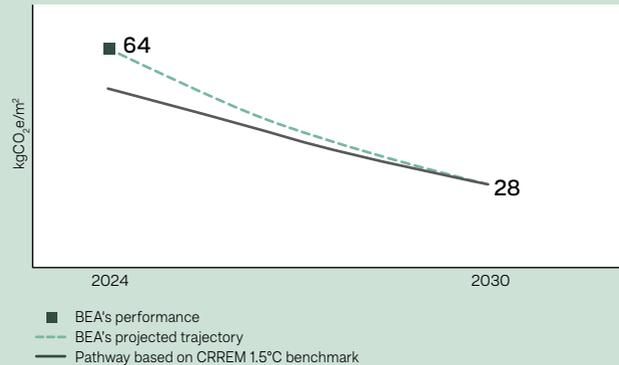
In addition, we will develop sectoral transition plans for the Aviation and Commercial Real Estate sectors, with specific portfolio diagnostics and decarbonisation levers and progress indicators. To support our efforts, we will provide training to our frontline staff, ensuring that financed emissions are integrated into the Group's business development processes and enabling meaningful transition-related discussions with our customers.

To further enhance our disclosure and prepare for regulatory requirements, we will review data availability and continue to monitor and comply with any updates to HKFRS S2 Climate-related Disclosures and Basel Pillar 3 requirements on climate-related risk disclosure. Data technologies will be examined for their feasibility to further strengthen our climate-related risk analytics, such as stress testing. Thematic discussion groups will be formed to engage various internal stakeholders in contributing climate-related risk management ideas and sharing knowledge between our Head Office, overseas branches, and subsidiaries.

Interim Target and Portfolio Decarbonisation Progress



Interim Target and Portfolio Decarbonisation Progress



<sup>26</sup>Fugitive emissions are excluded from measurement owing to the challenge of sourcing consistent emission factors for our global portfolio.

<sup>27</sup>Target for the Commercial Real Estate sector is rounded up to the nearest whole number.

<sup>28</sup>The proposed pathway was constructed by taking a financed floor area-weighted average of property-specific pathways adopted from CRREM, accounting for both jurisdiction and property type. Given the relatively larger floor area of properties in overseas markets, the resulting intensity profile is inclined to reflect the lower energy grid emission intensity in the corresponding regions.



## Sustainable Finance

### Our Approach

With deep roots in Greater China and a worldwide reach, BEA Group is uniquely positioned to contribute to the global transition to more sustainable economic models. Through our GSF efforts, we aim to direct capital towards solutions to some of our most pressing sustainability challenges while managing ESG-related risks throughout our portfolio.

Our approach to GSF has been developed in line with local regulations and guidance in the markets where we operate, as well as international standards and principles. We:

- **provide GSF and related advisory services** to customers, supporting their transition to low-carbon and sustainable business models;
- **maintain robust ESG investment governance** by integrating ESG-related decision-making and oversight into the roles and responsibilities of our Investment Committee, Board-level ESG Committee, and ESG Steering Committee, while aligning relevant activities with Group-wide frameworks and policies on sustainable investing;
- **incorporate ESG into asset management activities** at our subsidiary, BEA Union Investment Management Limited (BEA Union Investment), by embedding ESG factors into initial screening, research, portfolio construction, and risk analysis, while engaging with portfolio companies and other institutional investors on ESG topics; and
- **mitigate greenwashing risks** by ensuring products and services deliver genuine environmental or social impact in line with technically sound definitions and methodologies, while identifying and addressing potential greenwashing issues across our business, wherever they arise.

In June, we updated our GSF framework to extend its coverage to retail GSF, redefine certain key components, and introduce criteria for classifying retail lending as GSF, among other changes. Our GRIP was also updated in November to ensure that ESG considerations are thoroughly integrated into relevant decision-making processes and carefully evaluated prior to initiating any merger, acquisition, joint venture, or partnership.

For more information about how we are addressing the critical topic of climate change within our portfolio, please see the [Climate-related Risk and Resilience](#) section.

### GSF Loans and Bond Investments

We offer a wide range of green and sustainable financing solutions designed to support sustainable development. These offerings include [corporate sustainable financing solutions](#), [green deposits](#), and retail GSF, such as [green mortgages](#) and EV loans.



BEA participated in the 21<sup>st</sup> Plenary Session of the Hong Kong-Europe Business Council organised by the Hong Kong Trade Development Council, and highlighted Hong Kong's growing prominence as a regional hub for GSF.

Additionally, we offer a variety of products to help our wealth management customers meet their financial goals while aligning their portfolios with sustainable investment preferences. In 2025, we continued to onboard funds with ESG themes onto our trading platforms. More than 50 of these funds are available, offering over 150 share classes. In addition, our Discretionary Portfolio Management offers customers ESG-focused strategies.

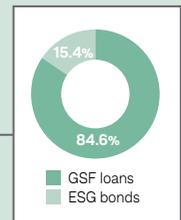
At the same time, we continue to integrate sustainability into the Group's bond investments, identifying new opportunities and transitioning existing investments to ESG-labelled bonds. We also actively monitor and manage our portfolios in carbon-intensive sectors, supporting the Group's goal of reducing financed emissions.

### GSF Loans and ESG Bonds

Total:  
**HK\$  
92.2  
billion**



**17.8%**  
of total corporate  
loans and bond  
investments





## Programmes and Initiatives



### Facilitating Sustainability through GSF Lending to Corporate Customers

We enable and empower companies across our markets to achieve long-term business growth while contributing to sustainable development through various corporate lending activities. Globally, we participate in GSF loans, either bilaterally or via syndicated transactions. In 2025, BEA was involved in multiple impactful transactions, which are featured in the [ESG Highlights](#) section.



### Facilitating Decarbonisation in the Steel Sector

BEA China broke new ground in the area of transition finance in 2025, with its Shijiazhuang Branch extending a transition loan to Handan Iron & Steel Group Co., Ltd. in accordance with the PBOC's Guidelines on the Application of Transition Finance Standards (Trial) (《轉型金融標準使用說明》(試用稿)) and the Catalogue of Economic Activities Supported by Transition Finance (Steel sector) (《轉型金融支持經濟活動目錄(鋼鐵行業)》). This facility represents the Group's first successfully implemented transition loan transaction, with the loan terms linked to the borrower's carbon intensity reduction targets. The transaction demonstrates BEA China's continued expansion of its GSF product offerings and its commitment to support the green transition of high-emitting industries through tangible financial action.

## Fostering a Sustainable Finance Ecosystem

BEA is actively contributing to the development of a thriving GSF ecosystem among the local private sector. We do this by convening and collaborating with industry stakeholders, sharing practical insights, and promoting solutions that support decarbonisation.

- In June, in collaboration with SGS Hong Kong, we hosted the Green Mobility & Sustainable Logistics Forum, where more than 70 industry leaders and professionals exchanged insights on how policy frameworks and innovative technologies can enhance industry efficiency, with use cases on embedding sustainability in day-to-day operations from the perspectives of both service providers and users.
- In September, BEA co-organised the SME Forum on Transformation: Green and Sustainable Future with the Hong Kong Association of Banks and other local financial institutions. Representatives from the Hong Kong Green Building Council and the SME Sustainability Society shared case studies on how innovative solutions and green finance

enable success for SMEs. We also introduced our new Energy Efficiency Loan, illustrating how the product can help SMEs achieve their energy-saving and carbon-reduction goals. The SME Forum attracted more than 130 participants and provided a platform to connect SMEs, financial institutions, and ESG thought leaders in Hong Kong.

With China steering Asia's sustainable finance expansion into the future through initiatives such as the Green Investment Principles for the Belt and Road, BEA is also working to advance the dialogue on transition finance in the Chinese Mainland and empower emerging sustainability professionals.

- In July, BEA China launched the Sustainable Finance Learning Series with Green Shore Plan and the New Development Bank to shed light on how climate change is intensifying and the growing imperative for businesses to transition to a green economy. The series is designed to connect ESG talent and cultivate professionals with global perspectives and practical expertise.





### Mitigating Greenwashing Risks in a Growing Business

As our GSF business continues to grow, so too does the need to maintain the integrity of our GSF products and services to support the environmental and social outcomes we aim to achieve, as well as the Group's reputation and financial prospects.

During the year under review, we revised our GSF framework by incorporating the latest GSF trends, practices and market standards. Group-wide training on the GSF framework components, sector policies, and sectorisation list was conducted for corporate relationship managers and credit assessors. The training covered changes to green classification methodologies and the application of the GSF framework documents.

In 2025, BEA China continued to strengthen its employees' ESG risk awareness and management capabilities by delivering training on climate risk and green finance, including Group-wide climate risk management programmes that include greenwashing mitigation components.

### Building GSF Capacity Across Our Business

The delivery of our GSF solutions requires technical sustainability knowledge combined with the financial expertise and deep understanding of our customers that has long been associated with BEA. We continue to equip our teams for success through capacity building efforts focused on the evolving sustainability landscape and our customers' needs with respect to GSF. For example, training on transition finance was delivered to sustainability champions in various markets to help them prepare for its rapid development.

In Hong Kong, our relationship managers are trained on ESG risk identification, enabling them to better assess client exposures with respect to sustainability issues.

### Outlook



We will continue to identify new GSF opportunities and empower our teams to lead in the evolving GSF market by exploring new products, such as transition finance, to support customers in their decarbonisation journeys.

We will also closely monitor the policy landscape across our markets, including GSF trends, taxonomies, policies, and update our GSF framework as necessary. At the customer level, we will continue to prioritise engagement with customers in carbon-intensive sectors as a means of managing our financed emissions while accelerating the transition to a lower-carbon future.



BEA participated in and contributed insights to an in-depth discussion on practical approaches to decarbonisation at a transition finance workshop.



# Responsible Operations

Talent Attraction and Retention	54
Diversity, Equity, and Inclusion	57
Training and Development	59
Health, Safety, and Wellbeing	62
Technology Innovation	64
Operational Emissions Reduction	68
Sustainable Resource Use	70
Responsible Supply Chain Management	73



## Talent Attraction and Retention

### Our Approach



As the Group's success depends on attracting and retaining the right people across the markets we serve, we strive to offer a meaningful employee experience built on open communication, competitive compensation and benefits, as well as valuable growth opportunities, positioning BEA Group as an employer of choice.

Our merit and competency-based strategies align manpower needs and workforce diversity with the Group's business strategy. In particular, with joint supervision from our Senior Management and line departments, we:

- **implement strategic workforce and succession planning** to build a robust talent and leadership pipeline;
- **promote internal mobility** through transfers, internal recruitment, exchange programmes, short-term assignments, secondments, and job shadowing;
- **offer competitive and flexible staff benefits and engagement**, guided by the Group's Remuneration Policy;
- **maintain open communication and engagement** with staff to enhance their workplace experiences; and
- **cultivate a culture of appreciation, motivation, and positivity** in the workplace through employee awards and recognition.

### Programmes and Initiatives



#### Employee Pulse Survey 2025

Our annual employee survey provides insights into various aspects of our employees' experiences, including their happiness and stress levels. The results inform our approach to human capital management, which is developed in close collaboration with business units and subsidiaries.

With a 99.3% response rate, our 2025 survey revealed that our workforce is positively engaged and ready to contribute to our shared success. Survey results have improved year-on-year across multiple areas, from teamwork and customer focus to innovation and staff support of our organisational transformation. In 2025, 90% of our employees stated that they believe their division/department/branch/company can have a clear impact on the Group's ESG performance. Such results are encouraging, as staff engagement and empowerment are essential for the Group to achieve its sustainability vision.

### Building a Thriving Community with BEA Moments

Organisations that adopt digital tools effectively see increased employee engagement, productivity, and performance—evidence of a strong link between digital transformation and workforce satisfaction.<sup>29</sup> As such, we use online communication channels to bring people together and facilitate engagement and collaboration.

During the reporting period, we launched BEA Moments, the Bank's first internal social platform. Available on both desktop and mobile via Microsoft Teams, BEA Moments is designed to be the go-to space for our colleagues to connect, collaborate, have fun, and discover insights. All our employees on Teams automatically become members of the built-in **BEAST** community, where they can explore the dynamic world of fintech through quick reads and lively discussions.



<sup>29</sup> <https://malque.pub/ojs/index.php/msj/article/download/11290/4798/65926>



### Celebrating Collective Success at BEA

To honour the dedication and excellence that drive our continued success, we begin each year by celebrating the people behind our progress. In January, we hosted the annual BEA Staff Appreciation Ceremony to recognise outstanding achievements and celebrate milestone service anniversaries. As part of our Staff Recognition Scheme, quarterly and annual awards are given to staff who demonstrate outstanding performance and exemplary behaviour aligned with our core values.



### Investing in Young Talent

We actively engage with promising young talent beyond the walls of the Bank Group. In 2025, BEA Union Investment continued to participate in the Pilot Programme to Enhance Talent Training for the Asset and Wealth Management (AWM) Sector. Funded by the HKSAR Government, the programme aims to facilitate the long-term sustainable development of Hong Kong's AWM sector. 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.

BEA Union Investment also sponsored the sustainability-themed Case Competition organised by the Hong Kong Securities and Investment Institute. As one of the project sponsors, BEA Union Investment coached five teams of university students from the GBA on sustainability-related case studies over a two-month period, with one of its teams reaching the semi-finals.

BEA also works closely with universities, inviting students to attend career planning discussions, helping young people enhance their workplace readiness and employment competitiveness while exploring their abilities to contribute to our company and goals. In the Chinese Mainland, BEA China collaborated with multiple universities to conduct winter and summer internship programmes for college students, providing them with opportunities to learn about business operations and the workplace. BEA China also actively offered summer internship positions for students from Hong Kong and Macau to gain deeper understanding of the Chinese Mainland and its financial work environment.



Every year, we award university scholarships to dependents of staff members. At the BEA Scholarship Presentation Ceremony held in August, we recognised students who demonstrate academic excellence and meaningful community engagement, while showing support to the family members of our staff.



### Enhancing Employee Benefits

Investing in non-pay benefits is central to our employee value proposition. With four out of five employees in Hong Kong now considering employer support for health and wellbeing a major factor in job decisions<sup>30</sup>, we provide meaningful benefits that holistically support and empower our colleagues and their families.

At the beginning of the reporting year, we updated our Staff Handbook to reflect a number of upgraded non-pay benefits for our employees. These enhancements included an increase in the number of days of paid paternity leave, an enhanced Staff Housing Loan Scheme, as well as the eligibility of couples working at BEA for wedding gifts, among others.

### Fostering Camaraderie through Competitive Sports

At BEA, team sports are more than recreation—they are a catalyst for belonging and wellbeing that strengthens our ability to reinforce teamwork and staff spirit. Our sports teams train and compete together, building camaraderie as they represent BEA in athletic competitions in Hong Kong throughout the year.



The BEA Dragon Boat Team was named the Mixed Silver Bowl Champion at the 20th Stanley Dragon Boat Warm up Races in May, along with other impressive finishes in a number of other competitions during the year.



In May, the BEA Basketball Team secured the first runner-up title at the Chinese Banks' Association 3x3 Basketball Competition by overcoming seasoned opponents through teamwork and perseverance.



In December, BEA's Long Distance Run Team was named champion and 1st runner-up in the 5km Corporate and Group category, respectively, at the Hong Kong Network for the Promotion of Inclusive Society's Lockton Fearless Dragon Trail Run 2025.

### Reconnecting with Our Alumni

BEA recognises the lasting impact of both current and former colleagues on BEA's legacy and continued success. Through the BEA Alumni Club, we maintain enduring connections with our former employees through diverse activities that foster a strong alumni community and inspire our people.



### Outlook



Strategic talent management will remain critical to the Group's future success. We are committed to strengthening our workforce by implementing targeted talent programmes, actively promoting career opportunities at industry events, job fairs, and universities, and by encouraging internal mobility. These efforts will help us continue unlocking the full potential of our people while building a robust and agile talent pool.

<sup>30</sup> <https://hongkongbusiness.hk/insurance/news/4-out-5-hk-employees-weigh-health-support-in-job-decisions>



## Diversity, Equity, and Inclusion

### Our Approach



Diverse backgrounds and perspectives power the innovation and collaboration that fuel the Group's success. We believe that promoting fairness, equity, opportunity, and respect for social and cultural diversity can empower each of our staff members to realise their full potential and contribute to our shared goals. We strive to make all our employees feel valued and welcomed from the moment they join us by ensuring a work environment free from any form of discrimination, harassment, bullying, victimisation, or vilification.

In November, we updated our [Human Rights Policy](#) to formalise and highlight our commitment to partnering with NGOs and charitable organisations that uphold human rights laws and standards. All our community partners are required to adhere to the Group's Human Rights Policy, which strictly prohibits forced labour, human trafficking, unsafe working conditions, discrimination, harassment, and child labour. Partners are also expected to fully comply with all applicable laws and international standards on human rights. We are:

- **promoting a culture of diversity and equal opportunity** in line with international standards;
- **an equal opportunity employer** that provides fair and impartial treatment and opportunities across all aspects of employment;
- **implementing a merit-based remuneration approach** to ensure equal pay for men and women;
- **providing anti-discrimination training** across the Group to raise our colleagues' awareness of discriminatory practices; and
- **advancing diversity and inclusion** across our markets by upholding labour rights, supporting gender and marriage equality, establishing a breastfeeding-friendly workplace, championing persons with disabilities and special educational needs (SEN), and promoting a diverse and inclusive supply chain.

### Programmes and Initiatives



#### Fostering a Family-Friendly Workplace

Our people are our most valuable asset. We firmly believe that when employees achieve balance between career and family life, they are more engaged at work and feel a stronger sense of belonging to the Group. We are therefore committed to creating a healthy, family-friendly, and inclusive work environment that empowers our employees, especially those with parental responsibilities, to balance work and family needs.

#### BEA Bring Your Kids to Work Day

In February, the Group held a "BEA Bring Your Kids to Work Day", inviting colleagues across our offices in Hong Kong, the Chinese Mainland, Macau, and Taiwan to welcome their children into the BEA workplace and gain a glimpse of their parents' work life. Participating children took part in Chinese New Year-themed activities, various games designed to promote financial literacy, as well as a Best Dressed Contest.

We extended the "BEA Bring Your Kids to Work Day" to our offices in London, Birmingham, and Manchester in May and to our Singapore office in June, where staff members' children made new friends, experienced what their parents do every day, and enjoyed fun educational activities encouraging them to manage their money wisely.

This initiative is designed to foster workplace inclusion by giving our colleagues' children a fun, early taste of office life while strengthening family bonds and deepening employees' sense of belonging to BEA.





### Building Bridges with the Disabled Community

We believe meaningful inclusion starts with listening and learning with acceptance and sincerity. By engaging directly with people with disabilities, in partnership with social welfare NGOs, we gain first-hand insight into the barriers they encounter in daily life and at banks—from communication hurdles to physical and digital accessibility gaps. These lived perspectives allowed us to not only improve their banking experiences but also enable their fuller participation in society.

#### Dialogue in Silence Workshop in Macau

In November, employees from our Macau Branch visited the Macau Deaf Association. In the immersive Dialogue in Silence Workshop, they experienced what it is like to live without sound and gained a deeper understanding of how individuals with hearing impairments communicate as well as the unique challenges they face on a daily basis. The visit concluded with a tutorial on sign language for banking, equipping our Macau Branch colleagues with a valuable communication tool that will help them better serve customers who are deaf or have hearing loss.



#### Nice Day Hiking in Taiwan

Meanwhile, in March, more than 40 employees from our Taiwan Branch, together with their families, took part in Syin-Lu Social Welfare Foundation's "Nice Day Hiking" initiative. With the theme "Walk with Love and Smile", the charity event encouraged participants to show support for people with disabilities. Our colleagues joined the hike as well as an obstacle course and games, enjoying a fun day outdoor with community members while promoting social inclusion.



### Raising Awareness of Sexual Violence

To promote a culture of respect, safety, and allyship, our Taiwan Branch participated in Denim Day in April, an awareness campaign led by Peace Over Violence to encourage people to stand against sexual, domestic, and interpersonal violence. Our colleagues wore denim to work and learned about the importance of consent, responsibility, and psychological safety—linking everyday actions to our broader commitment to inclusion and dignity at work.

Our Taiwan Branch also channelled support to the Taipei Women's Rescue Foundation (TWRP)—an NGO that rescues and counsels women and children affected by human trafficking, prostitution, and sexual or domestic violence—by donating 730 uniform invoices, which are official receipt stubs used in a bimonthly lottery hosted by Taiwan's Ministry of Finance. The potential prize money will be used to support TWRP's counselling, legal assistance, and abuse prevention services.



### Outlook



We will continue to provide equal opportunities for all our employees in line with our commitments, policies, and compliance requirements. Our Senior Management and the Bank Culture Work Group (BCWG) will assess the importance of key aspects of diversity, equity, and inclusion as they apply to our business, and implement relevant culture-related training across different levels. In addition, we will continue to foster engagement between our staff and community members from diverse backgrounds to cultivate empathy and understanding for diverse lived experiences.



**53%**  
of all management positions are held by women

**58.1%**  
of our total workforce are women

**26.8%**  
mean gender pay gap

**27.2%**  
median gender pay gap



## Training and Development

### Our Approach

 Success in the banking industry is greatly dependent on highly skilled employees performing consistently in a demanding and fast-changing environment. With the view of learning as a long-term investment that helps ensure the shared success of the Group and our colleagues, we invest in high-quality, up-to-date training and development opportunities to drive performance, satisfaction, and retention.

We identify and prioritise the technical expertise and soft skills needed to deliver on our goals. By engaging our own subject matter experts and collaborating with credible external parties—including peers, educational and professional institutions, and consultants—we design and implement tailored and innovative training programmes for our colleagues.

Guided by our Staff Training and Development Policy, we:

- **develop meaningful and impactful professional development** opportunities that empower our employees to deepen their expertise and boost productivity; and
- **implement robust performance management initiatives** that help foster a culture of accountability, growth, and high performance.

For information about how we ensure the right people join and develop their careers with BEA Group, please refer to the [Talent Attraction and Retention](#) section.

### Programmes and Initiatives



#### Embedding Agility in the Workplace

Organisational agility is the ability of a firm to respond quickly and effectively to changing external conditions, and reconfigure resources accordingly with minimal disruption. Companies that cultivate a culture of agility tend to outperform peers in terms of innovation outcomes, customer relationships, and competitiveness in the market.<sup>31</sup>

To embed this advantage in our organisation, in 2025, we launched our Group-wide "BeAgile" training series to cultivate an agile mindset among our colleagues. The series was structured in three tiers tailored to leaders, managers, and staff, enabling them to consistently cascade agile ways of working from the top down to our frontline teams.



The "BeAgile" programme aims to empower our staff to create the greatest value for our customers and work more collaboratively and effectively. We are also grooming our people leaders to adapt their leadership to better support and build an agile culture across the Group through the programme.

### Navigating New Frontiers in Finance

To keep abreast of emerging topics shaping Hong Kong's financial services landscape, we have delved into the dynamics of digital currencies and tokenisation, covering regulatory developments, technology architecture, and emerging use cases for stablecoins, CBDC such as e-HKD.

Our two in-house training sessions on this topic in October helped our leaders and teams better understand the future of digital assets and how the Bank Group can properly navigate this dynamic space. Expert perspectives brought depth to the discussion and inspired new ways of thinking about the role of stablecoins in financial innovation, particularly in the context of Hong Kong's banking sector.

Complementing the two deep-dive sessions, we have also developed a new micro-learning programme, "Fintech 202: Understanding Stablecoin, CBDC, e-HKD, and e-CNY". This module was designed to equip our staff with a solid understanding of these emerging digital currencies.

97% of the Group's staff have completed the programme. High attendance rates at the training sessions have demonstrated our Group-wide commitment to staying ahead of the curve through continuous learning.



**~54 hours**  
average training hours across the Group

**100%**  
of employees received regular performance and career development reviews<sup>32</sup>

<sup>31</sup> <https://doi.org/10.1016/j.indmarman.2025.01.005>

<sup>32</sup> In 2025, 7,251 staff of the Group that were in-scope received performance reviews.



**GBA Learning Accelerator: Building a solid foundation for growth in the GBA**

Achieving our ambitions in expanding our cross-boundary business in the GBA requires our people to fully understand the region's evolving nuances and complexities. Through the GBA Learning Accelerator, we prepare our employees for success in the region across three tiers: theme-based training for all employees, specialist training for targeted staff, and elite training for qualified GBA specialists. Initiatives include:

**GBA Theme-based Training**

The GBA theme-based training series has been targeted at Group-wide staff to raise awareness regarding the GBA and our cross-boundary business. Over 5,000 participants attended training covering various topics, such as the "Chinese Mainland's Economic Development Blueprint: High-Quality Innovation Development" and "Cultural Differences & Similarities Among GBA 9+2 Cities".

**GBA Specialist Training**

During the reporting period, 135 Hong Kong and 113 Chinese Mainland staff members were officially recognised as GBA Specialists after completing the GBA Specialist Training, which equipped them with the knowledge, skills, and acumen necessary to identify and seize business opportunities in the GBA. Through the training, our GBA Specialists gained insights from international law specialists on the law and arbitration issues related to The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), as well as different implications of and opportunities arising from the amended CEPA regulations.

The first Driving GBA Business Growth – Personal Banking Workshop, held in April, was designed to equip our GBA Specialist-level relationship managers across Hong Kong and the Chinese Mainland with practical skills to drive client acquisition and deepen existing relationships in the GBA.

Building on this momentum, a second workshop was held in August, focusing on enhancing customer insight and capitalising on growing market opportunities in the GBA. Through real-world simulations and group discussions, participants learned effective ways of boosting sales conversion and strengthening customer engagement.

**GBA Elite Training**

In October, we welcomed our second cohort of 20 GBA Elite graduates, who engaged in unique learning opportunities under the GBA Elite Training programme, advancing their professional growth in line with the Group's business objectives in the region.

Our GBA Elite graduates took part in teambuilding activities during the kick-off ceremony, a special workshop at HKEX, and learned about the establishment of and business opportunities related to the Cross-Border Merger and Acquisition Alliance of the GBA from BEA China experts, as well as an immersive visit to Tinno Mobile, one of the leading companies in the region. Participants also had the opportunity to develop strategies tackling cross-boundary challenges through innovative solutions and present them to a panel of judges from our Hong Kong operations and BEA China.



**5,000+**  
participants  
attended various theme-based  
training programmes

**~250**  
participants  
(90% of targeted  
participants)  
completed GBA  
Specialist Training

**20**  
participants  
(100% of targeted  
participants)  
completed GBA  
Elite Training

**Grooming BEA's Future Leaders**

Succession planning at BEA is supported by nurturing promising talent who can step into leadership roles with confidence and competence. By creating structured career pathways for our people, we strengthen our leadership pipeline and help our colleagues realise their potential and thrive.

In July, we celebrated the graduation of the third cohort of our FLAP, comprising 15 high-potential employees from Hong Kong, Malaysia, and the UK who completed a two-year leadership development journey. Launched in 2020 to gear up our high-potential mid-career talent for expanded leadership responsibilities, the programme offers a series of structured activities that support professional growth and career advancement, including personal development review and planning, leadership training workshops, on-the-job development actions, executive coaching, and mentorship.

Our top management joined the graduation ceremony to recognise the graduates' achievements as well as FLAP's impact on the Group's leadership pipeline. Their presence underscored our Group's commitment to developing internal talent and ensuring continuity in key leadership roles across our markets.





### Strengthening Our Leadership and Management Capabilities

In October, a new leadership programme, "Leading with Trust and Courage", specifically designed for newly-promoted senior managers, was launched. This programme is crafted to cultivate value-based, resilient leaders who are equipped to confidently challenge the status quo, foster psychologically safe environments for their teams, and build a culture of shared accountability and empowerment.

Complementing this, our expanded curriculum also includes targeted programmes focused on advanced strategic thinking, effective stakeholder management skills, and robust performance management techniques, ensuring our leaders are fully equipped for future challenges.

In June, leaders from our Hong Kong office joined colleagues from GSC in Guangzhou and Shenzhen to attend "BEACON", an offsite leadership workshop at which we celebrated our achievements in the first half of 2025 and made plans for the future. Through a series of meetings and teambuilding activities, including a rhythmic cardio drumming, our leaders strengthened trust and friendship while bringing the Group's strategy into focus going forward.



In the UK, we also ensure every colleague is given the opportunity to improve their customer service, product, and financial knowledge, while enhancing their leadership and management skills. In 2025, managers received training on Storytelling in Business Presentations and Effective Influencing and Engagement.

In the US, we introduced a comprehensive leadership development programme to equip managers with the essential skills to foster a high-performance, respectful workplace. Effective leadership is about driving results while cultivating a positive and respectful work environment. This programme integrates core management functions with essential interpersonal skills and compliance knowledge, preparing current and future leaders to inspire their teams and manage effectively. Participants learn best practices in driving performance through effective goal setting and performance reviews, mastering crucial people management techniques like coaching and conflict resolution, and ensuring a safe and inclusive environment through dedicated anti-harassment and respect training.

### Translating Conceptual and Real-World Lessons into Resilience

We consider both physical and transition risks associated with climate change as key sustainability-related risks for the Group. As such, it is important for our employees to understand climate change and its effects on our business, our operational vulnerabilities, as well as mitigating practices to protect not only our operations but also our colleagues and customers.

#### LA Branch's Brush with California's Wildfires Webinar

In April, we hosted a webinar on the Southern California wildfires, where our Sustainability Champion from the Los Angeles Branch shared firsthand experience of how staff were affected by and responded to the fires that ravaged the city for almost the entire month of January and caused a day-long power outage at the Branch. During the panel discussion, our speakers highlighted how climate change has intensified extreme weather events, and magnified the importance of business and community resilience.

### Climate Fresk Workshop

We continued rolling out interactive Climate Fresk Workshops to enable our employees to better understand the complex challenges of climate change. A workshop for division heads was held at our Head Office, and workshops at our Macau and London branches were also conducted during the reporting year. Since introducing Climate Fresk training to our staff in 2024, more than 180 colleagues including staff in ESG specialist roles and others across a wide range of departments have attended the workshops, with some trained as facilitators.



### Outlook



Going forward, we will step up the scale and pace of our upskilling efforts across training categories, including ESG, technology and data, and our GBA cross-boundary business, enhancing offerings for general and specialised roles.

Next year, we aim to scale up our "BeAgile" training programme to cover 50% of staff in Hong Kong, as well as 25% of staff from the Chinese Mainland and overseas branches.

We will continue to grow the Group's talent pool and succession pipeline by developing high-potential employees and promising graduates while also encouraging our staff to pursue continuous learning and development, and subsidising their efforts with a focus on qualifications under the HKMA's Enhanced Competency Framework (ECF).



## Health, Safety, and Wellbeing

### Our Approach

Employees who are healthy, safe, and happy are more productive and engaged at work, which in turn improves the delivery of quality products and services and makes BEA Group more successful. While our office-based work environment presents a relatively low physical risk, we actively work to minimise hazards and prevent incidents that could lead to loss of work days and business opportunities, as well as damage to the Group's reputation. As such, we are committed to creating working environments where employees can thrive—not only protected from harm but also empowered to be their best selves.

To align with evolving regulations and best practices in occupational health and safety (OHS) and better safeguard our employees, we updated our OHS Manual and renamed it as OHS Guideline during the reporting period. The new OHS Guideline introduces clearer accountability and improved governance. Updates include a comprehensive OHS Management System (OHSMS) framework, well-defined and expanded roles, standardised procedures and forms, and coverage that extends to both the Group and subsidiary levels. We:

- keep our employees away from harm in the workplace through **robust OHS guidelines and measures** that are aligned with international standards and best practices; and
- **promote employee wellbeing** by offering mental health and physical fitness initiatives to our colleagues, as well as partnering with organisations that promote holistic wellness in the workplace.

### Programmes and Initiatives



#### Strengthening Our Commitment to Mental Wellbeing in the Workplace

Mental wellbeing is under strain for 80% of Hong Kong's labour force, driven by financial instability, job insecurity, and poor work-life balance, among other factors. Notably, work-related stress in Hong Kong exceeds the global average, underscoring the urgency for stronger mental health support in the workplace.<sup>33</sup>

To demonstrate that we prioritise the psychological wellbeing of our colleagues across the Group, BEA became a signatory to the Mental Health Workplace Charter. By joining the Charter, we pledge to foster a respectful workplace, promote open communication, support early identification of distress, and provide timely treatment.

As part of this initiative, some of our colleagues have completed the Mental Health First Aid (MHFA) Basic Course and received a certificate of completion from MHFA International (Australia). Armed with knowledge of the signs and symptoms of common mental health problems in adults and available treatment options, they can administer initial support to colleagues experiencing a mental health challenge or crisis until professional help arrives or the situation stabilises.



### Empowering Our Staff with Life-saving Skills

Accidents are unpredictable and providing a timely response is key. To equip our frontline staff with the necessary knowledge and skills, our colleagues participated in the "Press to Shock – Save a Life" CPR & AED course conducted by the Fire Services Department. Through this training, the team gained practical first-aid knowledge and skills, empowering them to confidently assist those in need.



### Best-in-class Safety Performance

In recognition of our efforts to ensure a safe workplace for our staff, BEA received the Outstanding Award in the "Safety Performance Award - All Industries Category" at the 24th Hong Kong Occupational Safety and Health Award. In line with our **OHS Policy** and Manual, we have made staff safety a top priority across our daily operations—from technical maintenance to food provision. Aside from training on safety procedures, especially for technicians working on elevating platforms, we also enforce precautionary measures to enhance workplace safety. These range from electrical safety procedures to enforcing stringent hygiene standards and the appropriate use of Personal Protective Equipment during food preparation in our canteens.

<sup>33</sup> <https://www.axa.com.hk/en/article/axa-study-over-60-of-hong-kong-workers-encounter-elevated-stress-levels-exceeding-global-average>



**Promoting Employee Wellbeing and Camaraderie**

At BEA, we advance a holistic approach to wellbeing by combining physical activity, teamwork, and friendly competition through monthly sports and recreational activities organised by the Staff Sports & Recreation Club.

During the reporting period, we gave our colleagues an opportunity to showcase their talent and build teamwork and camaraderie within their own divisions through a full slate of events under the Divisional Cup. Activities covered sports such as basketball, badminton, bowling, and CrossFit; games like poker and esports; as well as talent competitions for singing and cooking. Participants competed for medals and awards, turning combined effort into a shared sense of belonging, wellbeing, connection, and pride.



**~90**  
sports and recreational events organised

**4,100+**  
places offered to staff and their family members



We have also participated in the Joyful@Healthy Workplace programme, launched by the Department of Health, the Labour Department, and the Occupational Safety and Health Council. Under the programme, BEA is promoting various health and wellbeing initiatives, including healthy canteen menus with calorie information, nutrition talks, and sustainable catering practices to encourage mindful eating alongside a unique culture of Sharing, Mindfulness, and Enjoyment to inspire positivity through recognition programmes, staff newsletters, and creative team events. Our efforts have been recognised with the "Joyful@Healthy Workplace Best Practices Award (Enterprise/Organisation Category) – Grand Award" as well as a "Joyful@Healthy Workplace Best Practices Award: Distinction in Healthy Eating Promotion" in the Occupational Health Award 2025-26.



**Outlook**



Looking ahead, the Group will remain steadfast in its commitment to OHS and employee wellbeing. With our new OHS Guideline in place, workplace risks will be systematically identified, assessed, and managed through the implementation of enhanced preventive and control measures.

We will continue to enhance the robustness of our OHSMS by refining internal reporting processes, strengthening managerial accountability, and expanding the scope and frequency of staff training to maintain high levels of safety competence across the Group.

Recognising the increasing significance of holistic wellbeing, we will advance initiatives that prioritise psychological health and establish early support mechanisms. Wellness programmes will also be further developed to promote employees' physical, mental, and social wellbeing, thereby fostering a more resilient workforce.



## Technology Innovation

### Our Approach

 Our Bank Group operates across dynamic, interconnected markets around the world, at a time when the rate of technological change has never been greater. As the Group progresses on its digitalisation journey, we are committed to not only monitoring these exciting developments and adopting new technologies to unlock tangible business outcomes, but to inspiring innovators both within and outside our organisation to shape the future of fintech.

For BEA, technology innovation is not just a business imperative—it's also an opportunity to play a meaningful role in accelerating positive impacts that extend well beyond our business. We:

- **advance our digital transformation journey** responsibly through robust data and A.I. governance and staff empowerment; and
- **co-create fintech solutions with startups and industry partners** through our fintech collaboration platform, **BEAST** (BEA + Startups).

For more information about how we manage the cybersecurity and data privacy issues that arise as we adopt new technology, please see the [Cybersecurity and Data Privacy](#) section.

Our approach is anchored in strong governance, which we continue to develop and refine. In February, the Board endorsed a three-year A.I. strategy to guide the adoption and implementation of A.I. technologies. The strategy includes guidelines and a user guide to ensure that data and systems remain safe as we progress in integrating A.I. These include:

- **Ethical Use of Data & A.I. Principles**, setting clear standards for responsible and transparent use of data and A.I. across the Group;
- **Guideline for Data and A.I. Governance**, which employs a risk-based, cross-disciplinary, and principle-based regulatory approach, guiding our use of A.I. technologies;
- **Guideline on Technology Risk Management on A.I. Systems**, providing sample technical assessment criteria for A.I. system builders to identify, evaluate, determine, and manage the associated risks of A.I. systems; and
- **Generic User Guide for A.I. Usage** that outlines responsible and legally compliant practices for using A.I., applicable to all staff and relevant partners (e.g., A.I. platform owners, contractors, and vendors) working in permitted production environments. It emphasises regulatory compliance, ethical standards, and the importance of customer trust to protect the Group's reputation.

straight-through processing and streamlined workflows while encouraging the adoption of the latest fintech solutions and A.I.-powered tools. It also enables scalability to address BEA's rapidly growing needs.



### Growing a Local Facility Providing World-class Support

BEA's GSC marks a major milestone in the Group's transformation journey, with the twin goals of providing efficient centralised support for operations and customer service while driving technology innovation across the Group. With a presence in Guangzhou and Shenzhen, the GSC leverages its strategic location and access to talent to deliver a seamless cross-border financial service experience to customers, in line with the Group's OneBank strategy.

The GSC has evolved from a data processing and customer contact centre to serve as an Information Technology Development & Test Centre, boosting efficiency through

### Programmes and Initiatives



#### Driving Digital Transformation from the Heart of the GBA

We are actively expanding our efforts in digital transformation throughout the GBA as innovation momentum grows with the support of regional policy, including the Outline Development Plan for the Guangdong–Hong Kong–Macao GBA, which aims to develop the GBA into an international innovation and technology hub. With the BEA Tower in Qianhai housing BEA China's flagship Shenzhen Branch, **BEAST**, a data lab, and a number of BEA subsidiaries, we are uniquely positioned to further drive innovation in the GBA and beyond.

By the end of 2025, **BEAST** in Hong Kong and Qianhai had:



collaborated with

**113**

start-ups, tech companies, and community partners

launched

**11**

solutions, including initiatives related to cybersecurity or data privacy

### Exploring Innovation with Global Technology Leaders

To further advance the Bank Group's digital transformation, over 30 colleagues from our Hong Kong offices and BEA China embarked on a tour of the GBA to learn about Shenzhen's dynamic tech landscape. Participants were given an exclusive tour at Tencent showcasing the latest developments in consumer internet, industrial internet, and social value innovations. They also engaged in insightful discussions with experts at Tencent Cloud, delving into real-world applications of Tencent A.I. Solutions and the Mini Program Platform, specifically for the banking industry.

Meanwhile, at ByteDance, the cohort explored cutting-edge advancements in large language models and enterprise-level A.I. agents and discovered transformative, data-driven solutions designed to propel business growth. The trip provided our colleagues with unparalleled networking opportunities and a glimpse into the future of technology.



### Fostering a Dynamic Fintech Ecosystem

A healthy, dynamic fintech ecosystem is necessary to inspire and nurture the sustainable innovations that can deliver real value for our customers. By collaborating with like-minded partners, we are able to explore and adopt innovative solutions with the potential to elevate our own capabilities and shape the future of banking.

### Supporting the HKMA's Innovation Agenda

During the reporting period, BEA was selected to be part of the second cohort of the GenA.I. Sandbox by the HKMA and the Hong Kong Cyberport Management Company Limited. Through **BEAST**, we have partnered with CLPS Incorporation, a global IT consulting and solution service provider, to conduct a proof-of-concept to develop Nibot—an A.I.-powered agent that integrates GenA.I. and robotic process automation (RPA). Nibot is designed for both technical (RPA developers) and non-technical individuals (end users) to ensure seamless adoption within the Group and enhance operational efficiency and strengthen risk management, paving the way for smarter and more efficient banking solutions.

BEA participated in the HKMA's Project Ensemble pilot. In collaboration with Jetco, Fubon Bank, and Fusion Bank, our pilot aimed to test interbank settlement using experimental tokenised deposit transactions across different distributed ledger technology (DLT) networks and platforms.

### A Homegrown Blockchain Solution Recognised on the International Stage

At the SDG Awards organised by the WSBI-ESBG in October, BEA earned the Digital Transformation and Technological Innovation Award for our innovative implementation of blockchain applications alongside operational enhancements through Kudos Coin.

Launched as a proof-of-concept in 2024, Kudos Coin is a non-monetary token built on DLT with stablecoin-like characteristics. Our colleagues earn Kudos Coin when receiving internal e-Thank You cards. The tokens can be used to redeem real-world

benefits such as wellbeing leave and retail vouchers, reinforcing a culture of appreciation. This made BEA the first bank in Hong Kong to introduce a self-minted, blockchain-based internal token, laying the foundation for future decentralised finance tools that may extend to customer-facing services.

### Fostering Internal Support for Fintech Innovation

In line with our OneBank strategy on collaborative business development, we also held a series of innovation workshops for our colleagues, with the aim of fostering discussions across divisions and gathering ideas for our roadmap on fintech adoption.

The workshops covered a wide range of topics, including future developments in financial services and the latest fintech adoptions within our Group and the market. Representatives from our Head Office shared insights, use cases, and introduced potential solutions from **BEAST**'s network to address business units' specific needs and challenges, while representatives from

BEA China also shed light on the fintech landscape in the GBA and shared industry best practices.

During the brainstorming session, participants evaluated innovative ideas and probable solutions based on their impact and urgency, aligning with their departmental priorities, with selected ideas taken into consideration for adoption.

We also held a series of Fintech Insights Collective webinars, which feature knowledge sharing from our community and industry partners, including Alibaba Cloud, the Fintech Association of Hong Kong, Google, Microsoft, and the Shenzhen Fintech Association. Four insightful sessions were held to explore key topics that are shaping the future of banking and fintech, each of which attracted more than 150 colleagues. Attendees gained valuable knowledge and actionable insights through dynamic discussions and real-world case sharing, sparking remarkable engagement.

### Connecting International Fintech Communities

In May, we welcomed the Singapore FinTech Association and its delegation of 13 Singaporean startups to **BEAST**, in collaboration with our community partner, the FinTech Association of Hong Kong. These startups showcased their cutting-edge solutions across retail, private, and corporate banking, as well as areas like compliance, cybersecurity, and operations, while we shared BEA's experience in providing various support services for overseas entities setting up business in Hong Kong.



### Nurturing Young Talent in Fintech

BEA is actively nurturing young financial professionals and shaping future industry leaders through collaboration with educational institutions. In May, we participated in the Graduate Trainee Programme Recruitment Seminar held at Shenzhen University. We shared insights on how A.I. is enhancing banking operations, the evolution of Web 3.0 and blockchain, as well as the potential risks and challenges associated with these emerging technologies.





### Leveraging Data Analytics and Data Sharing for Efficiency

We combine advanced analytics with secure data sharing to streamline decision-making and elevate customer experiences across the Bank. By leveraging the Commercial Data Interchange (CDI), a next-generation financial data infrastructure, we enable more efficient financial intermediation in the banking system and elevate financial inclusion in Hong Kong. CDI use cases at BEA include:

- **Shenzhen–Hong Kong cross-boundary data-validation platform:** using blockchain technology to verify information for cross-boundary enterprises and speed up due diligence and approval processes;
- **integration of Company Registry search data with our Shareholding Visualisation Tool** to identify the ultimate beneficial owners and generate complete shareholding structure charts;
- **Commercial Credit Reference Agency (CCRA 2.0):** leveraging existing CCRA data and company profiles to develop predictive credit analytics, which we plan to harness for SMEs; and
- **Project Cargo<sup>x</sup>,** utilising cargo data to enhance trade financing processes and enable more diversified services for businesses.



**20%**  
of operational processes were now supported by A.I.

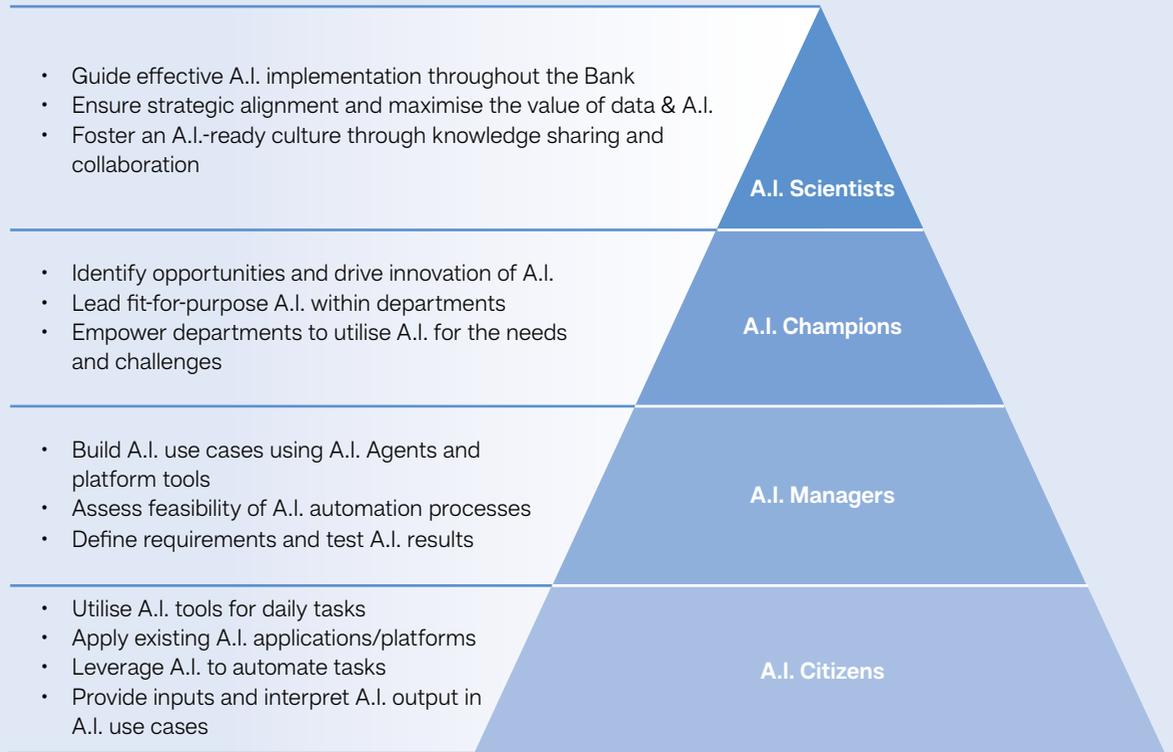
### Strengthening Our A.I. Competencies

We are systematically building our workforce's A.I. capabilities through a Group-wide training and certification programme, aiming to equip our colleagues to use A.I. both responsibly and at scale.

By the end of 2025, we successfully certified and upskilled 18% of our employees, advancing our 2025 Bank-wide goal. Colleagues in developer or technical roles underwent rigorous training on big data and machine learning fundamentals, while A.I. Citizens attended training sessions on applied GenA.I. in association with The Hong Kong Institute of Bankers.



**18%**  
of our colleagues across the Group were A.I.-certified





## Looking to the Future of Compliance and A.I.

In response to the rapidly evolving technological landscape, we believe embracing A.I. is not merely about adopting the latest technologies; it is a forward-looking mindset for the future, which must balance change with ethical conduct and compliance. We call this "Tomorrow Mind"—a proactive commitment to overcome challenges and responsibly leverage opportunities amid constant change.

To bring this vision to life, we hosted a Town Hall in Guangzhou themed "Tomorrow Mind – Reimagining Compliance with RegTech and A.I.". The event convened colleagues and transformation partners across the Group. Our Deputy Chief Executive and Chief Operating Officer, Mr Tong Hon-shing, helped translate the Tomorrow Mind concept into concrete, actionable priorities alongside several general managers and department heads.

A key highlight was the Compliance A.I. Exhibition, where teams from BEA China showcased cutting-edge, compliance-focused A.I. solutions. The programme culminated in a RegTech/A.I. Use Case Challenge, with mixed teams from Compliance, IT, and Business and Operations Units proposing innovative ideas within targeted compliance domains.

## Shaping Industry Conversations on A.I.

Beyond building the Bank Group's internal capabilities, we recognise that sharing insights and best practices with the wider community is essential to accelerating responsible A.I. adoption across the industry. In 2025, BEA actively contributed to dialogues on A.I. at several forums around the world.

### Sharing BEA's GenA.I. Applications with WSBI-ESBG

In March, at a cross-disciplinary meeting hosted by WSBI-ESBG in Barcelona, Spain, BEA presented its GenA.I. virtual agents for coding and supporting, demonstrating gains in efficiency and accuracy that empower colleagues in their day-to-day work. We also outlined BEA's forward-looking vision for A.I. to transform the customer experience, extend internal use for operational excellence, and shape the emerging Web3 journey.

### Showcasing BEA's A.I. Roadmap at the Google Cloud Summit 2025

At the Google Cloud Summit in June, we shared BEA's roadmap for embedding A.I. in our operations—covering initiatives such as efficiently generating answers from hundreds of documents, improving response time at our customer service centre, and analysing vast market data. Additionally, we highlighted how enterprise A.I. and cloud solutions translate into measurable business value.

## Integrating A.I. into Internal Audit

In June, BEA's Group Chief Auditor delivered a presentation at The Asian Confederation of Institutes of Internal Auditors Banking and Other Financial Services Internal Audit Conference in Manila, Philippines. Under the theme "Enhancing Resilience & Embracing Innovation in Financial Services", we shared insights on harnessing the power of A.I. in internal audit processes, as well as the role of internal audit in providing assurance and advisory services to support an organisation's A.I. adoption.

## Outlook



To accelerate the rate and pace of innovation and A.I. adoption, the Group plans to establish an Innovation Office in 2026. Serving as the central hub for A.I., data, and fintech, it will spearhead Group-wide initiatives and/to foster new ideas, technologies, and processes. With all relevant functions and resources under its purview, the Innovation Office will play a pivotal role in advancing innovation in BEA.

Building workforce capacity in A.I. is one of our key strategic objectives. Our goal is to have 35% of staff certified as A.I. talent by 2026, with a further ambition to reach 50% by 2027.

Practicality, scalability, and responsibility will be our priorities as we innovate to enhance operational efficiency and customer satisfaction while ensuring the safety and privacy of our stakeholders. We will closely examine the Web3 foundation as we embark on our digital asset journey.

By promoting organisational agility, resilience, and adaptability, we ensure that the Group is future ready and able to navigate technological change and capture emerging market opportunities.





## Operational Emissions Reduction

### Our Approach

While most of BEA's climate-related impacts occur within our corporate loan and bond investment portfolios, we recognise our responsibility to support global efforts to mitigate climate change through emissions reductions in our operations. Operational emissions, alongside portfolio emissions, are a critical part of our reduction goals as we work to drive climate action across our markets. In particular, we:

- **set to achieve net zero operational emissions** by 2030 in support of relevant local decarbonisation targets in the markets where we operate;
- **undertake diligent emissions monitoring and reporting** to ensure transparency and keep our stakeholders informed of our performance;
- **implement building energy and operations management** measures to better understand and effectively reduce our energy consumption;
- **drive renewable energy adoption** in our premises globally, and explore the use of renewable energy certificates (RECs) and carbon credits; and
- **expand vehicle electrification** within our own fleet and among our workforce, supported by the installation of EV charging stations across our facilities.

This section focuses mainly on Scope 1 and Scope 2 emissions within our own operations. For details about how we address our Scope 3 emissions, specifically our financed emissions, please refer to the [Climate-related Risk and Resilience](#) section.

### Programmes and Initiatives

#### Decarbonising Operations through Cutting-edge Technologies

Our decarbonisation efforts were recognised once again in CLP's Smart Energy Award programme, where BEA received the Energy Management Award, a testament to our disciplined execution of energy efficiency initiatives. Guided by our Net Zero Operations Execution Plan, we have continued partnering with industry innovators to effectively manage our energy use and reduce our operational emissions.

In 2025, we rolled out two locally developed, patented energy efficiency solutions at 33 Des Voeux Road Central. One of these innovations was the EcoSonic system, an energy-saving acoustic air-filtration solution that replaces traditional dense filters with an acoustic resonance module. This system vibrates particles—such as dust, bacteria, and viruses—causing them to collide more efficiently with the filter fibres. As a result, it reduces airflow resistance, enabling ventilation fans to operate

at lower speeds and thereby optimises their energy efficiency. The first phase of implementation was successfully completed in 2025. Within the first month after installation, the energy consumption of fan motors dropped by approximately 20%. In addition, the EcoSonic system achieves medical-grade filtration, improving indoor air quality. Furthermore, the filter system integrates seamlessly into our existing ductwork, requiring no major renovations and enabling us to maintain daily operations without interruption. Following the successful pilot, we are now exploring opportunities for broader implementation across our office building portfolio.

Meanwhile, we piloted i2Film, an electricity-free cooling film, on our glass walls and windowpanes to achieve high light transmittance and effective thermal insulation. This initiative has significantly reduced the building's reliance on air conditioning while enhancing indoor comfort. As a result, these initiatives will contribute to reducing the building's carbon emissions by 19,860kg CO<sub>2</sub>e annually.





### Powering Our Premises with Renewable Energy

One of the key actions we have taken on our net zero journey is powering our own branches and facilities with renewable energy—direct, measurable progress that aligns with the Group's net zero pledge.

In 2025, our Manchester Branch and London office in the UK began running on 100% electricity from renewable energy, sourced from a local utility. With this switch, a total of six BEA Group premises were either partially or fully powered by renewables by the end of the reporting period. This includes



**6** premises are either partially or fully powered by renewable energy

the London and Los Angeles branches, both fully powered by renewable energy from utilities, The Bank of East Asia Building in Shanghai Puxi, which partially uses renewable energy from a local utility, and our Shanghai Zhangjiang Data Centre, which generates its own renewable energy.

### Exceeding Regulatory Expectations through Proactive Initiatives

Singapore's Mandatory Energy Improvement regime is a new regulation introduced under the Building Control (Amendment) Act 2024 to support the national goal of net zero emissions by 2050. In alignment with Singapore's sustainable development agenda, our Singapore Branch has taken proactive steps to comply with the new requirements. In 2024, we conducted an energy audit of the building and identified several energy-saving measures, including the deployment of a new chiller plant in 2027. Upon completion, we expect the energy use of BEA Building in Singapore to drop by up to 30% by 2027—exceeding the regulatory requirement—delivering substantial emissions reductions and tangible savings on operating costs.

### Implementation of Net Zero Operations Execution Plan

Energy-saving opportunities, which have been set forth in our Net Zero Operations Execution Plan include lifecycle replacement projects and green premium projects that will enable us to achieve net zero operational emissions by 2030. Lifecycle replacement projects involve replacing aged facilities at the end of their lives, while green premium projects are energy-saving opportunities that are proactively identified and initiated outside the routine asset lifecycle replacement schedule. These include upgrading, replacing, or optimising functional assets with more sustainable, energy-efficient solutions.



**39.7%**

operational emissions reduction against 2019 baseline

**~40**

energy-saving opportunities were implemented across the Group in 2025

In 2025, approximately 40 energy-saving initiatives were implemented across various markets, showcasing our proactive efforts to reduce operational emissions. Among these initiatives, two were lifecycle replacement projects: the installation of highly efficient Uninterruptible Power Supply (UPS) and air-conditioning units at the Shanghai Zhangjiang Data Centre and BEA Finance Tower. Other initiatives include optimising Heating, Ventilation, and Air Conditioning (HVAC) and lighting systems, enhancing data centre efficiency, and upgrading equipment. Collectively, these efforts are expected to contribute to an annual reduction of about 265,800kg in carbon emissions.

### Outlook



Going forward, we will align our operational emissions reduction efforts with our Net Zero Operations Execution Plan. Key decarbonisation work includes replacing and optimising chiller plants, installing solar films, retrofitting building service systems, and Building Management System upgrades. We will also continue to explore emerging technologies to further ramp up our decarbonisation efforts in our building portfolio and drive a climate-conscious culture across the Group.



## Sustainable Resource Use

### Our Approach



Resource use and waste management are two of the most pressing issues globally, particularly given their significant impact on nature. While the Bank Group is primarily an office-based business, our operations consume significant amounts of electricity, water, and paper, and generate related waste, including food waste from our staff canteens. Managing our resource consumption and waste is, therefore, an opportunity to improve efficiencies, reduce costs, and reduce our operational GHG emissions. We:

- **continuously improve our environmental management practices** across our operations to reduce the impact of our energy, water, and paper consumption, as well as waste generation, on the environment; and
- **embed sustainability considerations into every stage of the building lifecycle**—starting from design and construction up to renovation, operation, and leasing of premises.

For more information about our approach to climate change mitigation within our operations, please see the [Operational Emissions Reduction](#) section.

**4%**

decrease in  
total energy  
consumption

**21.3%**

increase in amount  
of waste diverted  
from landfill

### Programmes and Initiatives



#### Energy



In 2025, a variety of energy-saving initiatives were implemented across the Group, including lifecycle replacement projects and green premium projects. These efforts collectively contributed to an estimated annual energy reduction of 526,500kWh.

##### Lifecycle Replacement Projects

- Replaced aged air-conditioning units
- Replaced aged UPS in our data centre

##### Green Premium Projects

- Adjusted chiller plant operation schedules
- Fine-tuned our chilled water supply temperature setpoint
- Replaced traditional indoor lights with LED lights with motion sensors
- Delamped lobby lights and switched off lights near windows
- Installed timers for pantry water heaters
- Adjusted lift operation schedules and applied standby mode at night
- Optimised our computer room air conditioning (CRAC) temperature setpoint in data centres
- Improved airflow and cooling efficiency for our main data hall
- Optimised and centralised workplaces to ensure more efficient use of lighting and air conditioning

#### Paper



During the reporting period, we implemented a series of paper reduction initiatives to streamline internal processes, reduce manual handling, and minimise paper consumption.

- Automated treasury rates verification processes to eliminate the need for printed rate sheets and manual cross-checking
- Digitised credit approval and documentation workflows by storing credit proposals, assessments, approvals, and supporting documents electronically
- Replaced printed remittance application forms, checklists, SWIFT messages, and supporting documents with secure digital storage
- Transitioned trade finance communications, including letters of credit and banker's guarantees, from paper-based circulation to electronic records and email-based approvals
- Simplified system settings and customer reactivation processes to remove unnecessary paper-based customer acknowledgements and mailers



## Water



In 2025, the Group enhanced water-efficiency across its premises by incorporating water-saving fixtures into renovation projects.

- Installed water taps with Grade 1 water-efficiency ratings under the Voluntary Water Efficiency Labelling Scheme in pantries, washrooms and accessible toilets, water closets and urinal equipment at the Shek Tong Tsui Branch
- Installed Grade 1 water-efficient taps certified under the China Water Efficiency Label in pantry areas at GSC's new office in Guangzhou
- Installed a smart water meter at the Birmingham Branch to enable more frequent and automated monitoring of water consumption

## Waste



Our approach to waste management is two-pronged: minimise waste generation across our operations and maximise recycling to keep materials in constant use.

We implement initiatives that create a reinforcing loop where awareness and enabling systems drive participation.

### Minimising Waste

We encourage our colleagues to adopt everyday habits to first avoid and reduce waste at source, reuse items whenever possible, and then effectively collect materials for recycling.

In Hong Kong, surveys were conducted in April to assess the satisfaction levels regarding the quality of food, variety of options, and staff expectations of canteens. Based on the feedback, we have introduced signage in our canteens to help colleagues right-size their meals by offering specific rice portion choices to avoid wastage. To further drive continuous improvement, feedback boards have been placed in our canteens to encourage staff to suggest dishes and menu adjustments so that food service providers can prioritise food options that our colleagues enjoy and do not waste.

In September, about 60 office chairs were reallocated from BEA Tower to other premises to extend their beneficial use.



In Singapore, "Sustainable Takeout Week" was organised to encourage staff to bring their own containers and cutlery for takeout meals, promoting waste reduction and minimising resource consumption.

### Recycling Waste

When waste cannot be avoided, we aim to recycle it when feasible. In particular, we also support recycling programmes for a variety of items during festive seasons when significant amounts of waste are created, including mooncake tins, laisee packets, and more.

Addressing food waste, the canteen at BEA Tower joined the HKSAR Government's Food Wise Hong Kong Campaign and was awarded the Food Wise Eatery accreditation status in October, while our canteen at Head Office signed the Food Wise Charter.

In 2025, our three branches in the UK started implementing daily food waste collection in accordance with the UK Government's new legislation, The Separation of Waste (England) Regulations 2025, effective 31 March. This initiative aims to reduce the amount of food mixed in with general waste. Additionally, mixed material and paper recycling were also introduced at the Birmingham Branch at the beginning of 2025.



**Raising Staff Awareness**

Engaging our staff and encouraging them to better manage resource use at BEA is an important part of our approach. In Hong Kong, awareness initiatives included:

- The Buildings Energy Efficiency Amendment Ordinance Training delivered by representatives from Hong Kong’s Electrical and Mechanical Services Department (EMSD), who shared the latest developments on the ordinance;
- a cross-divisional visit to Schneider Electric’s Hong Kong Innovation Hub to study new opportunities in enhancing energy efficiency and operational resilience; and
- exclusive guided tours at InnoEx 2025, Build4Asia 2025, and Eco Expo Asia 2025 were organised for colleagues to learn about the latest advancements in green and smart building technologies, waste management, air and water management, renewable energy, as well as green finance and ESG advisory services available in the market.

In April, our Singapore Branch arranged for Group Management Trainees (GMTs) to visit the Schneider Electric Singapore Innovation Hub during their attachment in Singapore. This learning journey provided valuable insights into how cutting-edge energy and automation solutions can enhance sustainability, resilience, and operational efficiency.

In September, our colleagues from Macau Branch and their children joined an educational tour at Companhia de Electricidade de Macau, a local public utility provider. The visit offered a behind-the-scenes look at the power control room and large-scale generators, providing insights into how electricity is managed and delivered. Participants explored smart home technologies designed for energy efficiency, learned practical energy-saving tips, and reflected on how everyday actions can support a low-carbon lifestyle. The company also introduced its EV charging network and their role in supporting sustainable transport across Macau.

**Outlook**



Despite improvements, it is essential that we continue to seek opportunities to limit the Group’s impact on the environment. In 2026, phase 1 of the chiller plant replacement project at our Head Office will be completed, prioritising energy-efficient options such as oil-free chillers and upgrading cooling capacity. Phase 4 of the chiller replacement project at BEA Tower in Hong Kong is scheduled for completion in 2028 and the replacement of aged CRAC will begin in 2026. Additionally, the chiller plant replacement project at our Singapore Branch will commence in 2026.

As building services systems for other key office buildings reach the end of their lifecycles, we will consider adopting emerging technologies, such as A.I. and machine-learning-enabled control systems, to enhance system efficiency.

Following the completion of the food waste processor trial at BEA Tower in Hong Kong in December, we will put it into full operation in March 2026.





## Responsible Supply Chain Management

### Our Approach



BEA's scale and influence give us the power to help drive positive outcomes for the economy, environment, and people well beyond our four walls. We view our procurement decisions as a strategic lever to advance sustainability across the Group's value chain, starting with responsible supplier selection and engagement. Our policies and processes are designed to minimise negative impacts and safeguard the Group's reputation against potential risks or abuses in our supply chains.

Guided by our Centralised Procurement Policies & Procedures (CPPP), we:

- **promote sustainable procurement** by embedding considerations into procurement, planning, operations, and supply chain management;
- **set sustainability requirements for suppliers** in alignment with the [Group's Supplier Code of Conduct](#) (SCoC), as well as relevant legislation and standards; and
- **prioritise human rights in our supply chains** by requiring suppliers to meet standards stipulated in our [Human Rights Policy](#).

### Programmes and Initiatives



In 2025, we developed a Sustainable Supply Chain Management framework, which will be implemented across the Group in phases over the next five years. Building upon existing sustainable practices, the framework adopts a more integrated approach and outlines key steps towards creating a sustainable supply chain. These steps include establishing a governance structure, setting goals and metrics, defining sustainability specifications for key products and services, reviewing the supplier selection scoring mechanism to incorporate ESG criteria, and engaging and incentivising key suppliers to enhance their ESG performance.

During the reporting period, specific requirements were introduced for two procurement categories: renovation items and chiller plant lifecycle replacement. The sustainability requirements for renovation items were implemented during the renovation of the Shek Tong Tsui Branch, while those for chiller plant lifecycle replacement will be applied to a chiller plant replacement project at the Singapore Branch in 2026.

We also updated our [Environmental Policy](#) to promote the adoption of sustainability best practices among suppliers. This revision aims to improve the Group's energy and water efficiency and increase the adoption of reduced impact building materials.



# 28.5%

of suppliers underwent ESG risk assessments

#### Phase 1: Strategise & Govern

Assessing our current state, setting goals, and establishing governance

#### Phase 2: Integrate & Implement

Embedding sustainability requirements into our procurement process

#### Phase 3: Monitor, Report & Improve

Tracking metrics, collaborating with suppliers, and driving ongoing progress

#### Phase 4: Incentivise

Rewarding suppliers who meet or exceed sustainability targets

### Outlook



In 2026, efforts will primarily focus on laying the groundwork, which will include reviewing policies and guidelines, defining roles and responsibilities, and broadening the scope of sustainability specifications for key products and services. Once this foundation is established, we will begin measuring, monitoring, and reporting on supply chain impacts. Furthermore, we will drive improvements through engagement initiatives and incentive programmes.



# Responsible Citizen

Community Investment	75
Hong Kong	75
Chinese Mainland	77
Macau	77
Taiwan	78
Malaysia	78
Singapore	78
United Kingdom	79
United States	79



## Community Investment

### Our Approach

 BEA plays an integral role in the economic, social, and cultural development of the communities we serve. As a responsible corporate citizen, we have a duty to help address societal challenges. Through charitable partnerships and a strong commitment to philanthropy, we encourage our employees to support meaningful social and environmental causes, facilitating positive changes and strengthening lasting connections between the Bank Group and the communities in which we operate.

Focusing on the areas of education, social welfare, and the environment, we:

- **instil the spirit of community support** across our markets through our charitable foundations;
- **foster a culture of employee donation and volunteering** by providing our people with opportunities to support those in need;
- **leverage our business network** to contribute to communities; and
- **create educational initiatives** focused on financial literacy and sound money management.



**~12,800 hours**  
of service contributed  
by our volunteers

### Programmes and Initiatives



#### Hong Kong

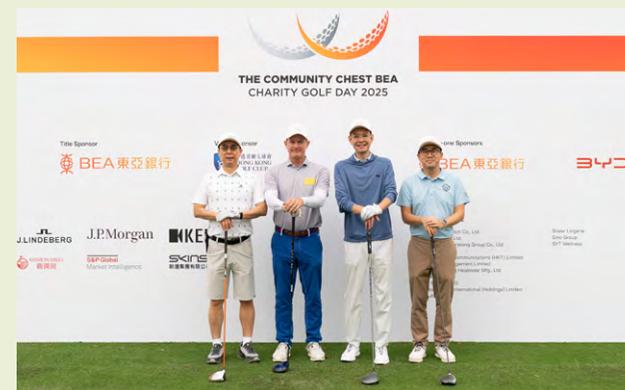
Please refer to the [ESG Highlights](#) section for details about the "Palliative Care for the Elderly" Programme, which is enhancing the wellbeing of older adults receiving end-of-life care and improving the quality of life for Hong Kong's ageing population, and our support for affected residents of the tragic fire at Wang Fuk Court in Tai Po.

#### Swinging for Charity

##### Social Welfare

Partnering with The Community Chest of Hong Kong for the 10th consecutive year, we proudly supported The Community Chest BEA Charity Golf Day 2025 in March as the title sponsor and hole-in-one sponsor.

The event gathered about 190 keen golfers across 48 teams, who showcased their skills and community spirit and raised a record HK\$2.93 million to support mental health services in Hong Kong, without any deduction of administrative expenses.



#### Promoting Financial Literacy

##### Education

Also in March, we supported Hong Kong Money Month 2025 organised by the Investor and Financial Education Council (IFEC), by hosting an engaging workshop for retirees in collaboration with The Salvation Army. In line with the event's theme of "Guard Against Fraud, Thrive with Resilience", BEA volunteers educated participants on ways to protect their money from fraud and scams while investing wisely in their retirement years.

For the fourth consecutive year, we collaborated with Heep Hong Society to promote financial literacy and social adaptation skills among children with SEN. Our volunteers gave tailored lessons on basic financial concepts and facilitated guided supermarket trips to help the participants practice smart budgeting and purchasing.





Hong Kong

Food for the Community

Social Welfare Environment

During the reporting period, BEA collaborated with Feeding Hong Kong, a local food bank led by experienced logistics professionals focused on safe-to-eat surplus food collection and donations, in providing meals to underprivileged individuals in the city.



840 BEA volunteers came together to pack 18 tonnes of rice for donation to the organisation, supporting over 270,000 meals.



Our colleagues also joined bread run to rescue fresh buns that would otherwise be a thrown away, from bakeries near closing time. The team collected over 1,100 pieces of surplus bread from 50 bakeries across the city, which were then redistributed to people in need the next morning.



Spreading Acts of Kindness

Social Welfare

During the Dragon Boat Festival in May, we collaborated with VQ Foundation to bring the festive spirit from the water and into the community. Our colleagues delivered goodie bags with traditional rice dumplings and fresh fruit door-to-door to more than 300 individuals, spreading joy through acts of kindness.



Making a PAWsitve Impact

Social Welfare Education

BEA volunteers visited The Society for Abandoned Animals in Yuen Long to understand the challenges in rescuing neglected dogs and cats, while supporting the organisation's mission: "Love Animals, Respect Life, No Killing or Abandoning". The team spent quality time interacting and playing with the furry residents. The visit served as a powerful reminder that every animal deserves to be treated with love, care, and respect, and the importance of animal protection and welfare.



Nurturing Environmental Champions

Environment Education

We actively inspire and mobilise our people to contribute to environmental protection—turning care for nature into real action. During the reporting period, our colleagues in Hong Kong joined environmental activities organised by various local NGOs.

For the 14th consecutive year, we joined the Green Power Hike along the scenic Hong Kong Trail, connecting with nature while raising funds for environmental education and ecological conservation. Meanwhile, BEA volunteers joined the Environmental Association to plant over 140 native tree seedlings to help fight deforestation and enhance biodiversity in Sai Kung. Our volunteers also joined WWF Hong Kong at the Mai Po Nature Reserve, helping remove overgrown grass and invasive plant species that disrupt wetland ecosystems.





**Chinese Mainland**

Please refer to the [ESG Highlights](#) for details about the Firefly Project, which has supported children in rural areas across the Chinese Mainland since 2009, and our efforts to expand the horizons of students in Shanghai and Hong Kong through the NEXT Financial Literacy Competition.

**One Bank, Green Bank**

**Environment Education**

In April, in celebration of Earth Day, BEA China launched the "One Bank, Green Bank" public welfare month across 23 cities. A total of 545 employee volunteers and their family members participated in various activities, such as visiting wetland parks, cleaning hiking trails and nature reserves, visiting natural history museums, etc. Collectively, they contributed over 2,300 hours of volunteer service.



**Macau**

**Social Welfare Education**

The Macau Branch has a long history of making impactful donations. The Branch has supported World Vision Macau's Skip-a-Meal Campaign for 12 consecutive years. In addition, staff purchased 200 bread coupons from the event's charity sale and donated them to the Fuhong Society of Macau to share with low-income families.

Building on this spirit of generosity, colleagues from our Macau Branch also volunteered at the Fuhong Society of Macau Pou Choi Centre's Corner of Portuguese Cuisine, a restaurant that provides persons in mental recovery with on-the-job catering training. With the joint efforts of our colleagues and their children, the team assembled 150 Portuguese chicken meal boxes for the underprivileged.

Working side by side with the Fuhong Society of Macau's members, our volunteers also helped create dried fruit teabags using apples donated by local hotels. This initiative not only equipped rehabilitants with practical skills but also promoted inclusion and empowerment, reinforcing our collective goal of fostering a more connected community.



For the ninth consecutive year, our Macau Branch joined "Walk for a Million 2025", organised by the Charity Fund from the Readers of Macao Daily News. This annual walk brings together thousands of participants to raise funds for social welfare programmes that support education, healthcare, and community services in Macau.

Prioritising activities that contribute to health with Macau Social Welfare Bureau, our staff also visited the Macao Blood Transfusion Centre of the Health Bureau of Macao SAR and donated blood to help save lives.





Taiwan

Environment

For five consecutive years, our colleagues took part in the Used Clothes Donation Campaign organised by the Eden Social Welfare Foundation, in support of environmental protection, local charities, and people in need. Over 370 pieces of clothing have been collected and donated for sale or distributed to persons with disabilities and their families.

In August, our Taiwan Branch teamed up with the Hong Kong Business Association in Taiwan for a clean-up event along the Xiangshan Hiking Trail in Taipei. Our colleagues also took part in an ecological tour by the C.Y. LIN Cultural Foundation, exploring the mountain's wildlife and natural beauty, and took the opportunity to unwind, reconnect with nature, and strengthen bonds.



Malaysia

Social Welfare Environment

In June, our Kuala Lumpur Representative Office colleagues donated their pre-loved items, such as clothes and books, to The Salvation Army in Malaysia, which put these items back into circulation by selling them at its Family Stores at affordable prices, with proceeds supporting the organisation's social service programmes and community projects.



Singapore

Social Welfare

In March, our Singapore Branch colleagues joined forces with the South East Community Development Council and Sunlove Active Ageing Centre to distribute goodie bags filled with essential items to more than 200 families living along Chai Chee Avenue. We were honoured to be joined by Mr Tan Kiat How, Senior Minister of State at the Ministry of Digital Development & Information and the Ministry of National Development of Singapore.



In September, our Singapore Branch organised an event for more than 100 migrant workers at Sembawang Recreation Centre to show our appreciation for the critical role they play towards the city-state's development. The event included a financial literacy talk followed by a buffet lunch for the workers served by staff volunteers. A mini bazaar was held, where the workers could redeem a wide range of useful items including clothing, backpacks, toiletries, and a selection of food items made possible through generous donations from our staff. The event ended with an exciting lucky draw session featuring prizes such as earphones, electric kettles and rice cookers, all contributed by our staff members.



Environment

To address the accumulation of marine litter and plastic pollution that poses a grave threat to our marine ecosystems, our Singapore Branch arranged a clean-up activity in April at East Coast Park, a beach and a park located on the southeastern coast of Singapore. The event gave the participants a chance to reflect on their own lifestyles and how they can reduce their waste footprint.





United Kingdom

Environment

In March, we partnered with Trees for Cities, the only charity in the UK dedicated to urban trees, to carry out essential maintenance on young saplings at Ravenor Park to encourage healthy growth. Our volunteers weeded around the saplings to reduce nutrient competition and set up mulch mats to help retain soil moisture, giving the trees the best chance of survival during summer.

Additionally, in May, our colleagues had a rewarding experience volunteering at the Calthorpe Community Garden, assisting in garden maintenance activities such as weeding and pruning.



Social Welfare

Our London Branch continued its cherished tradition of hosting a charity bake sale in December, once again turning festive spirit into meaningful support for the community.

Over 30 colleagues volunteered their time and efforts to bake an impressive range of treats. The sale drew strong support from colleagues and others working in the same building, with all items sold out within hours. The proceeds from the event were donated to Make-A-Wish UK, which grants life-changing wishes for children with critical illnesses.

United States

Social Welfare

Hunger is a solvable problem when communities join hands together.

In June, our New York Branch colleagues joined City Harvest, New York City's largest food rescue organisation, in the fight against food insecurity in the city. The team helped repack 2,700 bags of potatoes and made a monetary donation to the charity, further supporting them in providing around 9,500 nutritious meals for community members in need.



Education

Our New York Branch has also partnered with the Chinese-American Planning Council to host a financial literacy seminar for senior citizens at the New York Chinatown Old Adult Center in Manhattan. Participants were guided through banking essentials and awareness of financial scams.

Education Social Welfare

BEA equips young students with practical knowledge and tools to navigate the academic year with confidence, while also equipping them with essential life skills that extend beyond the classroom.

In February, our New York Branch hosted an interactive workshop at P.S. 002 Meyer London in Manhattan to help primary school students develop positive attitudes towards money and empower them to make informed financial decisions that will shape their futures. The team also shared tips on how students can grow their money safely with good financial knowledge and habits.

In May, our New York Branch organised a virtual career talk for 50 senior students at The International High School at Prospect Heights in Brooklyn—a public school that caters primarily to new immigrants—who were keen to learn more about the world of financial services. The team shared an overview of the banking industry, potential career pathways, their own personal journeys, and practical advice on how to stand out in a competitive job market.

Outlook



In 2026, we will formalise oversight of corporate social responsibility activities across the Bank Group by establishing a Community Investment Committee. It will work across the markets where we operate to ensure strategic alignment, develop a robust ecosystem of strategic partners, and deliver quantifiable ESG impact.

We will also continue initiating and scaling up community initiatives centred on education, social welfare, and the environment to achieve the most meaningful and lasting outcomes for the communities we serve.



# Appendices

About This Report	81	GRI Content Index	130
About BEA	83	Climate-related Disclosures Content Index	136
Our Approach to Sustainability	85	Our Material Impacts, Risks, and Opportunities	145
Management Approach	90	Charters, Memberships, Awards, and Recognition	155
ESG Reporting Code Content Index	126	Assurance Statement	161



# About This Report

## Report Coverage

Our 2025 ESG Report describes the BEA Group's approach to sustainability and its ESG performance for the financial year ended 31 December 2025. This report covers the Bank and all subsidiaries included in the Group's consolidated financial statements, unless otherwise stated. Published alongside the Annual Report in March 2026, this ESG Report focuses on the sustainability topics identified as material to the Group and our stakeholders, and details our sustainability vision, strategy, and governance.

Our report is divided into two main sections. The [ESG Highlights](#) section is intended to inform our stakeholders of major developments across the Group. An overview of the Group's annual performance across our three sustainability pillars is presented in the [2025 Performance](#) section. More detailed information on our sustainability-related governance, management approaches, and performance on material topics is included in the [Appendices](#).

This report can be read in conjunction with our [2025 Annual Report](#), which presents our financial and business performance in detail. During the reporting period, there was no significant change in our scope of business.

## Reporting Standards and Assurance

Our 2025 ESG Report has been approved by the Board and prepared in accordance with the following regulations and standards:

- ESG Code contained in Appendix C2 to the Rules Governing the Listing Securities on the The Stock Exchange of Hong Kong Limited; and
- GRI Standards 2021.

This report has also been prepared with reference to the:

- Guidelines for Sustainability Information Disclosure of Financial Institutions issued by the PBOC.

This is the first year that the climate-related disclosures in this report have been prepared in accordance with Part D of the HKEX ESG Code on a "comply-or-explain" basis and with reference to the HKFRS S2 Climate-related Disclosures, which apply the requirements of the IFRS S2 Climate-related Disclosures to organisations in Hong Kong. It was also developed with reference to the conceptual foundations of HKFRS S1 and

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information. This report follows a "comply-or-explain" approach to the HKMA's Supervisory Policy Manual (SPM) GS-1 on Climate Risk Management.

Content index tables in this report list out the information reported according to the recommended disclosures of the abovementioned standards and frameworks. Content index table for Guidelines for Sustainability Information Disclosure of Financial Institutions can only be referred in Chinese version.

Disclosure of Financial Institutions can only be referred in Traditional Chinese version.

This report has been independently reviewed by SGS Hong Kong Limited (SGS). Details of the review can be found in the [Assurance Statement](#).



## Reporting Principles

In the preparation of this report, we have adhered to the GRI Standards and HKEX ESG Code Reporting Principles, as well as the conceptual foundations of the HKFRS Sustainability Disclosure Standards.

Principles	Our Response
<b>Accuracy</b>	We provide qualitative and quantitative information that is accurate and sufficient to allow an assessment of our impact.
<b>Balance/Completeness/Fair Presentation</b>	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.
<b>Clarity</b>	We present information in a way that can be easily understood by readers.
<b>Connected Information</b>	We provide information in a manner that enables our stakeholders to understand the connections between our sustainability-related financial disclosures and across our sustainability-related financial disclosures and other general purpose financial reports.
<b>Consistency/Comparability</b>	We use consistent methodologies to measure and monitor our ESG performance whenever practicable and specify any changes to allow for meaningful comparisons over time.
<b>Materiality</b>	We have identified a range of ESG topics relevant to the Group's business, operations, and value chain, and further evaluated their impact and financial materiality through a double materiality assessment. The results have been approved by the Board ESG Committee and used to set the framework and content of this report. Details can be found in <a href="#">Our Material ESG Topics</a> .
<b>Quantitative</b>	We measure and monitor our ESG performance through an extensive set of defined KPIs, which are reported in the <a href="#">2025 Performance</a> and <a href="#">Appendices</a> sections. We have also set targets to reduce our impact on the environment.
<b>Reporting Entity Alignment</b>	We disclose sustainability-related financial information for the same reporting entities covered by our financial statements, except as otherwise indicated in this report.
<b>Sustainability Context</b>	We report information about BEA's impacts within the wider context of sustainable development.
<b>Timeliness</b>	We publish our report annually for readers to make informed decisions.
<b>Verifiability</b>	We gather, record, compile, and analyse information in such a way that its quality can be examined.

## We Welcome Your Feedback

Our teams are eager to hear your feedback. You may contact us about this ESG Report and our ESG performance via:

Email: [Sustainability@hkbea.com](mailto:Sustainability@hkbea.com)

Mail: Sustainability Department, 19/F,  
10 Des Voeux Road Central, Hong Kong



# About BEA

## Corporate Profile

Incorporated in Hong Kong in 1918, BEA is a leading Hong Kong-based financial services group listed on the Stock Exchange with total consolidated assets of HK\$921.0 billion as at 31 December 2025. BEA provides 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.

Over the past century, the Bank Group has grown from humble beginnings in Hong Kong to expand across the Chinese Mainland and into other major markets around the world. 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 Macau, Taiwan, Malaysia, Singapore, the UK, and the US. Globally, the Group employs about 7,670 people who serve our customers through approximately 120 outlets.

## Our Corporate Vision, Mission, and Core Values

### Vision

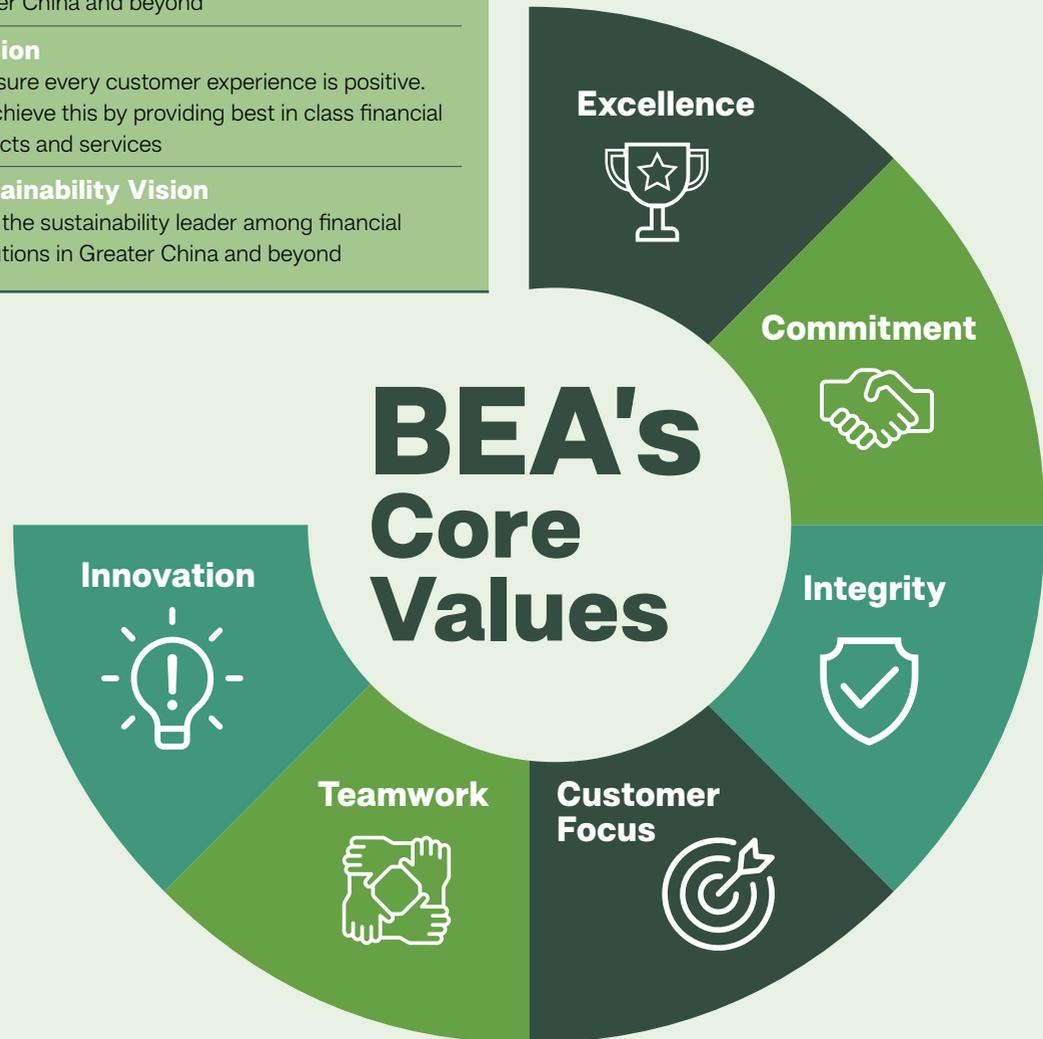
To be the trusted and preferred banking partner in Greater China and beyond

### Mission

To ensure every customer experience is positive. We achieve this by providing best in class financial products and services

### Sustainability Vision

To be the sustainability leader among financial institutions in Greater China and beyond





## Performance

### Economic performance

ESG Code/GRI Standards	Indicator	Unit	2025	2024	2023
GRI 201-1	Revenue	HK\$M	21,018	21,017	20,762
	Operating costs		3,244	3,135	3,153
	Employee compensation and benefits		5,696	5,603	5,445
	Payment to providers of capital		1,903	2,409	2,032
	Payments to government in <b>Hong Kong</b>		590	647	419
	Payments to government in the <b>Chinese Mainland</b>		459	-77 <sup>34</sup>	188
	Payments to government in <b>Other markets</b>		340	425	488
	Total cash donations to charitable organisations		15	8	14
	Economic value retained		8,771	8,867	9,023

### Composition of the board of directors

ESG Code/GRI Standards	Indicator	2025		2024		2023	
		Number	%	Number	%	Number	%
GRI 405-1	Unit:						
	<b>Total</b>	<b>15</b>	<b>--</b>	<b>17</b>	<b>--</b>	<b>17</b>	<b>--</b>
	Male	14	93.3	16	94.1	16	94.1
	Female	1	6.7	1	5.9	1	5.9
	Under 30	0	0	0	0	0	0
	Aged 30-50	1	6.7	2	11.8	4	23.5
	Over 50	14	93.3	15	88.2	13	76.5
	Executive Directors	3	20	3	17.6	3	17.6
	Independent Directors	7	46.7	7	41.2	7	41.2
Other Non-executive Directors	5	33.3	7	41.2	7	41.2	

<sup>34</sup> The negative balance represented a tax credit in the Chinese Mainland.



# Our Approach to Sustainability

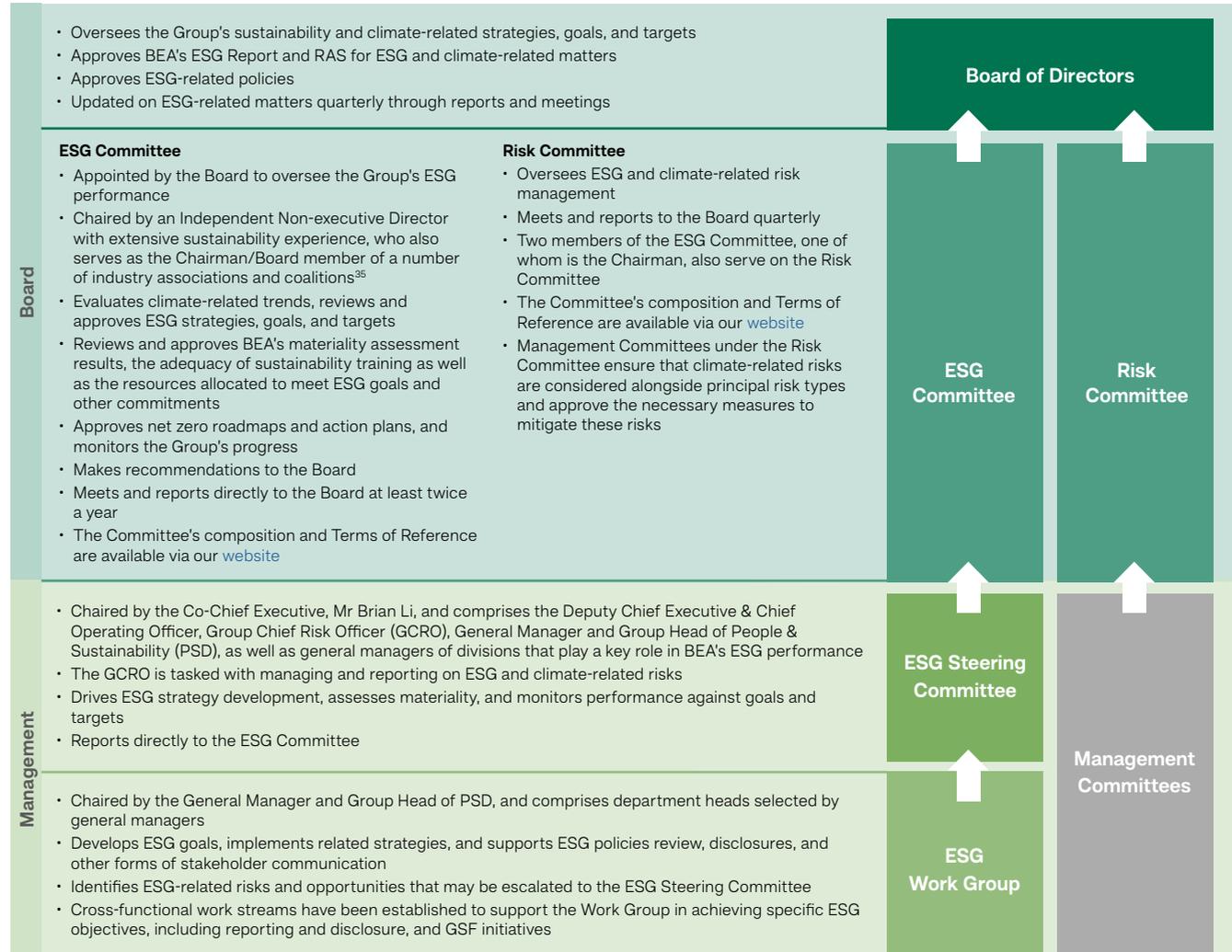
## Corporate Governance

Accountability and transparency are foundational to BEA and our corporate governance approach. High standards of governance are essential for delivering on our corporate and sustainability strategies, and they help us appropriately balance the interests of our stakeholders. Together, our corporate governance framework and Corporate Governance Policy direct and guide the business affairs of the Group, defining key Group members and their roles for effective governance policies and processes. Further details can be found in the Corporate Governance Report in our [2025 Annual Report](#), as well as in additional documents published on our [website](#).

### Board Statement

The Board recognises the importance of BEA's sustainability performance to its long-term success, both in relation to the positive and negative impacts that our Group may have on the people and communities we serve, as well as the risks and opportunities for our business. We view financial and non-financial performance as intrinsically linked and essential to long-term success. Assuming full responsibility for BEA's sustainable development, the Board is committed to building sustainability capabilities across the organisation and ensuring our actions align with global standards, stakeholder expectations, regulatory requirements, and the growing demand for transparency and accountability.

## Our Approach to Integrating Sustainability and Climate Matters into Corporate Governance



<sup>35</sup> Including the Board of Examiners of the Hong Kong Sustainability Award launched by the Hong Kong Management Association (Chairman) and the Board of Cascale (Immediate Past Chairman)



### Oversight of Climate-Related Risks and Opportunities

As BEA views climate risk as a transverse risk that can be manifested in different traditional risk types, we make use of the established ERM framework and network of risk owners and controllers to manage and oversee these risks. The ESG Risk & Oversight Department (EROD) of the Risk Management Division (RMD) acts as the coordinator to support the GCRO in implementing climate-related risk management initiatives. The RAS for ESG and climate-related risks, the climate risk stress test results, and any significant climate-related risk matters are regularly reported and escalated to management committees and the Risk Committee for review and are subsequently reported to the Board. Meanwhile, the "Climate Risk Radar", a report prepared by RMD, is shared with the ESG Committee each quarter to keep members abreast of climate risk-related developments.

### Coordinated Implementation Efforts

Colleagues across the Group collaborate to deliver BEA's comprehensive sustainability strategy. SUD drives Group-wide initiatives at the working level, leveraging specialist expertise to address strategic sustainability priorities. For example, in managing climate-related risk and resilience, SUD works closely with relevant departments and units to implement BEA's net zero roadmaps. This includes EROD, which is responsible for ESG and climate-related risk management initiatives, and the Facility Management Department (FMD), which integrates more sustainable practices into the operation and maintenance of our premises in line with our goals, including operational emissions targets. The Data Science & Governance Department (DSGD) helps explore and identify data solutions to track ESG performance, such as monitoring financed emissions and improving overall efficiency.

Specialist expertise is also critical to continue the growth of the Group's sustainable finance business globally. Our Wholesale Banking Division (WBD) has established a dedicated GSF advisory team to support customers in their green transition, while Sustainability Section at BEA China equipped with local expertise to advance our GSF business in the Chinese Mainland.

### Embedding Capacities at the Highest Levels of BEA

To keep Directors abreast of the ever-evolving ESG landscape and enable them to effectively discharge related duties, every two weeks, we provide our Directors with information sourced from ESG-related conferences, programmes, seminars, and workshops. In 2025, all our Directors received training on both climate-related topics and broader ESG-related topics.

Management training during the reporting year focused on sustainability-related risks and opportunities for BEA's business. In June, ESG Work Group members explored the impact of water-related risks and opportunities on businesses in Hong Kong and other parts of Asia—including how water serves as a tangible indicator of climate change—during a session led by CWR.

### Sustainability across the Group

Other Group members, including BEA China and BEA Union Investment, have established their own ESG governance structures based on their unique business and operational contexts. In June, BEA China published its first Environmental Information Disclosure Report in line with guidelines from the PBOC, the Shanghai Pudong New Area Local Financial Administration and the Ministry of Finance, amongst others. For details, please refer to BEA China's 2024 Environmental Information Disclosure Report and BEA Union Investment's [Responsible Investment Policy](#).

In the UK, BEA continues to drive ESG matters, identify opportunities to enhance ESG performance, and make decisions that align with the Group's sustainability goals via the local ESG Task Force.

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

### ESG Governance at BEA China



BEA China's Sustainability Section serves as the secretariat for the ESG Steering Committee and the ESG Working Group. The Section coordinates ESG-related initiatives in the Chinese Mainland, including efforts to achieve the Group's net zero goals and drive GSF business, and regularly meets with the Group's Sustainability Department to share updates, challenges encountered, etc.



### Championing Sustainability across the Group

As a bank with a global presence, BEA balances Group-wide goals and local priorities with the support of Group Sustainability Champions at our branches in Macau, Taiwan, Singapore, the UK, and the US. These colleagues facilitate effective communication with the Head Office and ensure Group efforts are aligned across markets. During the year, Sustainability Champions organised various activities to help local staff better understand how the branches can contribute to the Group's ESG performance. These included:

- Climate Fresk Workshops to raise climate change awareness in Macau and the UK;
- ESG Monopoly game to showcase BEA's ESG performance in Taiwan;
- "Sustainable Takeout Week" to encourage staff to reduce waste in Singapore;
- ESG Survey to understand effective ESG engagement methods in Los Angeles; and
- Sustainability Bingo to incentivise staff to adopt low-carbon behaviours in New York.

### Guiding Policies and Compliance

We have policies in place to govern the Group's approach to various sustainability matters. These policies are reviewed and updated regularly to reflect changes in regulatory requirements, the business environment, and stakeholder expectations. Relevant policies are discussed throughout this report and referenced in the [Management Approach](#) section for applicable topics.

### Our Sustainability Strategy

Our sustainability strategy guides our vision to be the sustainability leader among financial institutions in Greater China and beyond. This strategy is grounded in materiality assessments and stakeholder feedback to prioritise our efforts across three pillars that support goal and target setting, as well as focus areas for communication and engagement: Responsible Business, Responsible Operations, and Responsible Citizen. For more information on our latest materiality assessment, please see the [Our Material ESG Topics](#) section.

### Tracking Our Performance

We are committed to ownership, accountability, and transparency around the Bank Group's ESG and climate-related goals and the roles of individuals across departments in achieving them. ESG goals, including climate-related goals, are incorporated into our Group-wide scorecard, and ESG performance is linked to the annual performance review of all applicable staff. The Group's ESG scorecard is managed by the Head of Sustainability, with ESG goals also placed on divisional and departmental scorecards. Progress towards these goals is monitored and regularly reported to the Board-level ESG Committee.

A summary of our key ESG goals and achievements in 2025 is outlined in the [Our Progress](#) section. Updates on our progress are detailed in the [2025 Performance](#) section and the [Management Approach](#) section of the Appendices.

### Our ESG Materiality Framework

Pillar	What it means to BEA
Responsible Business	To operate with sound governance and risk management, treat our customers fairly, and manage the social and environmental impacts of our business activities responsibly
Responsible Operations	To provide a positive and enabling work environment for our staff, manage the direct environmental impacts of our operations, and encourage our suppliers to adopt sustainable practices
Responsible Citizen	To work with partners in local communities who share our focus on education, social welfare, and the environment, and promote staff volunteerism with the communities we serve



## Our Material ESG Topics

We take a dynamic approach to materiality. The Bank Group's internal and external stakeholders are frequently engaged on sustainability matters, and we conduct annual materiality assessments to understand our evolving sustainability-related impacts, risks, and opportunities (IROs).

In 2025, we worked with an independent sustainability consultant to enhance our understanding of the specific sustainability-related IROs relevant to our business. Building upon the topic-level double materiality assessment conducted in 2024, a more granular IRO assessment was conducted in line with global best practices while continuing to leverage direction on impact materiality from the GRI Standards and financial materiality from the IFRS Sustainability Disclosure Standards.<sup>36</sup> Deeper evaluation of BEA's IROs has resulted in the addition of a new material topic, Technology Innovation. Please see the [Technology Innovation](#) section for more information.

Our materiality assessment process involved:

### 1. Identification

- A long list of nearly 100 IROs relevant to BEA's value chain was compiled based on the Group's ESG priorities and a comprehensive study of peer practices and sector-specific ESG topics and IROs.<sup>37</sup>
- 54 IROs were shortlisted for detailed assessment based on alignment with BEA's ESG goals, previously identified material topics, ESG trends, and frequency analysis.

### 2. Assessment

- IROs were assessed using a scoring system incorporating criteria from existing internal risk assessment processes and a quantitative financial materiality threshold validated by the Group Chief Financial Officer (GCFO) and GCRO.



### 3. Validation

- 40 internal and external subject matter experts—ranging from senior managers to strategic partners and investors—reviewed and validated scores for specific IROs related to their areas of expertise.

### 4. Review and Finalisation

- IRO scores were adjusted to reflect subject matter experts' feedback, and a materiality threshold was set, resulting in 37 material IROs and one new material topic, Technology Innovation.

### 5. Approval and Verification

- The resulting IROs and material topics—reviewed and validated by the ESG Steering Committee—were presented to and approved by the Board ESG Committee.
- An external verifier reviewed the materiality assessment process, including the methodologies used in stakeholder identification.

## Our Strategic Sustainability Priorities

This year's materiality assessment process sharpened our focus on the Group's most pressing sustainability matters. This includes a refreshed set of strategic priorities that represent BEA's most significant sustainability-related IROs over the short to long-term. The new topic of Technology Innovation has been identified as a strategic priority considering the rapid development of A.I. alongside the Group's long-term digitalisation efforts, while Cybersecurity and Data Privacy has been recognised as a foundational topic that will continue to present significant IROs over time.

We continue to keep in view the other foundational and important topics that remain key aspects of our holistic approach to sustainability. We believe these topics can generally be managed consistently with ongoing practices under either an active or responsive approach.

More information about the IROs associated with each material topic is presented in the [Our Material Impacts, Risks, and Opportunities](#) section.

<sup>36</sup> This included the concept of impact materiality set out in the GRI Standards: "topics that represent an organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights". It also included the concept of financial materiality in the IFRS Sustainability Disclosure Standards, which requires companies to identify all risks and opportunities that could reasonably affect a company's prospects and to disclose the information related to those risks and opportunities that is material if omitting, misstating, or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

<sup>37</sup> BEA's business model, industry, relevant trends, and social and environmental context were analysed through a review of internal and external documentation and sources. External references included authoritative sources on impact materiality (e.g., the United Nations Environment Programme Finance Initiative's Sector-Impact Map, the Natural Capital Finance Alliance's ENCORE tool, sustainability reports of our peers) and financial materiality (e.g., the Sustainability Accounting Standards Board Standards, HKFRS Accounting Standards, sector-specific guidance from ESG rating agencies, annual reports of our regional peers and other large financial institutions).



## Stakeholder Engagement

We value regular, honest, and open dialogue with our stakeholders. This enables us to understand and address their diverse needs and expectations. Our engagement efforts are guided by a comprehensive mapping of our stakeholders, which has identified six key groups. We review and reassess this mapping each year to ensure continued relevance.

Topics relevant to each stakeholder group are presented in the [Our Material Impacts, Risks, and Opportunities](#) section of this report. The views of our key stakeholders directly inform our sustainability strategy and help us identify and manage our ESG impacts and shape our ESG reporting.

Stakeholder		Needs and Expectations	Engagement Channels
<b>Customers</b> 	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.	Innovative solutions developed and delivered responsibly	Customer feedback channels
		Transparent product-related disclosures	Customer events
		Resources for financial education and decision making	Sustainability communications via BEA's website and social media
		Responsible investment options	
		Safe and inclusive branch premises	
<b>Shareholders/ Investors</b> 	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.	Prudent risk management, including systemic risk management	Annual General Meetings
		Long-term value creation	Corporate communications
		Incorporation of ESG factors into investment processes	Communications with representatives of ESG rating agencies and ESG indices Responding to information requests
<b>Regulators</b> 	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.	Compliance with applicable requirements	Participation in industry association and events
		Frequently updated, transparent disclosures	Communications with regulator representatives
		Fair and ethical conduct	Responding to information requests
		Contribution to the growth of sustainable finance in the industry	
<b>Employees</b> 	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.	Transparent and fair decision making	Bank-wide and divisional town halls
		Training and career development opportunities	Employee surveys
		Competitive remuneration and benefits	Staff e-Newsletters Sustainability communications via BEA's intranet
		Supportive culture and engagement	
		Safe, inclusive workplaces	
<b>Community</b> 	We have forged strong ties with local communities, including the people of Hong Kong whom we have served for more than a century. We engage NGOs and members of the general public through the BEA Foundation.	Engagement to understand community needs	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
		Programmes, products, and services that address shared challenges, such as climate change	
		Tailored banking services for community members in need	
<b>Suppliers</b> 	We aim to create positive impact and minimise negative impacts on the economy, environment, and people in our supply chains.	Clear guidance on ESG-related expectations	Published supplier requirements and principles
		Ethical and transparent procurement practices	



# Management Approach

## Responsible Business

### Business Ethics

#### Policies/Guidelines

- [Anti-Bribery and Corruption Statement](#)
- Code of Conduct
- Conflict of Interest Policy
- Directors' Code of Conduct and Policy on Conflict of Interest
- Disciplinary Guidelines and Procedure
- Group Policy on Anti-Bribery and Corruption
- Group Policy on AML/CFT
- Group Policy on Fraud Risk Management
- Group Tax Policy
- [SCoC](#)
- Staff Grievance Procedure
- Third Party Risk Management Guideline
- [Whistleblowing Policy](#)
- Whistleblowing Policy and Procedure

#### Maintaining Policy Compliance

The Group enforces policies and guidelines to ensure staff and business partners act ethically and with integrity when conducting affairs involving BEA Group. These are periodically reviewed to address legal and regulatory changes and communicated to stakeholders through various channels, including websites, circulars, training, tender documents, contract terms, and more. All Group employees, including part-time and contract staff, receive mandatory business ethics training each year.

#### Governance and Auditing

The Group is committed to addressing major business ethics risks through the implementation of stringent controls and robust governance. The Board-level Risk Committee oversees the Group's risk management, including ethical issues that could give

rise to potential compliance and reputational risks, and regularly reports to the Board on significant risk-related issues.

The Internal Audit Division (IAD) and/or independent external assessors audit the effectiveness of our business ethics governance framework, including anti-corruption, at least every three years, using a risk-based approach. More information on our risk management approach is available in the [Corporate Governance](#) section.

#### Codes of Conduct

We have established Group-wide Codes of Conduct. The Directors' Code of Conduct and Policy on Conflict of Interest guide Directors in managing ethical issues, including conflicts of interest and fair dealing. It obligates Directors to avoid activities that could lead to actual or potential conflicts of interest and disclose such activities to the Board prior to their materialisation. Directors must also declare any material interests in significant transactions, agreements, or contracts relevant to the Bank Group's business.

All staff, both permanent and non-permanent, must comply with BEA's Code of Conduct (the Code). Reviewed annually by the Board of Directors, the Code sets out a minimum standard of conduct across the business. It 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, and more.

The Code is accessible to all relevant persons via BEA's intranet. Additionally, training on the Code is also provided to all staff members, including part-time and contract employees.

Any breach of the Code will result in disciplinary action, which may include remuneration adjustments, clawbacks, or criminal prosecution. Staff members are required to promptly report any potential breaches to the General Manager and Group Head of PSD, as well as the alternate Code of Conduct Officer. Annually, all staff members are required to read the latest version of the Code, declaring their understanding and confirming compliance with it and the policies embedded therein.

#### Staff Grievance Procedure

Our Staff Grievance Procedure establishes guidelines for staff wishing to voice work or workplace-related concerns, dissatisfaction, and complaints, including workplace health and safety. Grievances and complaints can be raised with immediate supervisors and escalated to higher management, the branch manager, the department head/division head, or the district head. Staff can also lodge grievances with the Human Resources Department (HRD) or report cases directly to the Head of IAD. All complaints and investigations are handled with strict confidentiality and escalated to Senior Management when necessary, ensuring fair and respectful treatment for all parties involved. Staff who lodge grievances in good faith without malice will not be penalised for raising such concerns.

#### Whistleblowing Policy and Procedures

BEA's Whistleblowing Policy and Procedure ensure employees can report concerns in confidence, without the fear of personal repercussions. A separate Whistleblowing Policy for external stakeholders, including suppliers and their staff members, is available via BEA's website. The policy outlines the different issues that constitute malpractice or misconduct, available reporting channels, record-keeping procedures, as well as confidentiality and protective measures for whistleblowers.



Reportable conduct under both policies covers ethical topics, such as corruption or illegal activities, as well as environmental or social concerns.

### Anti-corruption

The Group Policy on Anti-Bribery and Corruption is communicated to, and refresher training is arranged for, all employees (including part-time and contract employees) annually. Our Anti-Bribery and Corruption Statement is also published on our website. These expectations extend to directors, agents, contractors, suppliers, and associated persons, who must comply with relevant policies and regulations. Violations of our policy may result in the termination of the business relationship, employment, or appointment, depending on severity.

detection controls, training, and awareness programmes to minimise potential fraud risks. Proactive detection techniques, such as a fraud monitoring system, data mining, and trend analysis, enable prompt identification of fraudulent activities. Coordinated investigations and appropriate corrective actions help ensure thorough and timely responses to potential fraud incidents.

Our efforts also address the significant fraud risks presented by digitalisation. Since 2023, BEA has been a member of the Anti-Deception Alliance organised by the HKMA and HKPF, and has implemented a wide range of measures, including real-time fraud monitoring, suspicious proxy ID alert model and enhancement of 24/7 stop payment mechanisms while providing assistance to the investigative work of the HKPF.

We continue to engage both our staff and customers in our fraud prevention initiatives. Mandatory online refresher training in fraud risk management is provided for all staff, ensuring they stay equipped with up-to-date knowledge on fraud risks and effective strategies to combat internal and digital fraud.

### Anti-money Laundering and Counter-financing of Terrorism

The Group AML Policy, accompanied by relevant guidelines, procedures, and controls, is designed to support implementation and ensure compliance. These documents are regularly reviewed and updated to address legal and regulatory changes, while mitigating risks associated with illicit financial activities within the Group. The policy also addresses risks such as tax evasion and sanctions, providing guidelines and standards for customer due diligence and record keeping. For higher-risk customers, including politically exposed persons, approval from an internal senior authority is required.

In addition, our Compliance Risk Management Manual outlines procedures for reporting regulatory matters, non-compliance incidents, and irregularities. AML/CFT resources are readily available to our employees through intranet. Regular AML/CFT training, covering international sanctions and tax evasion, is provided to all employees, Board members, and relevant Group

members. All Group members must adhere to the Group AML Policy, which takes precedence over all other considerations.

We conduct an annual review of the Group AML Policy, the Group Policy on Anti-Bribery and Corruption, and the Group Fraud Risk Management Policy to ensure their continued effectiveness.

### Tax Risk Management and Strategy

Our Group Tax Policy, reviewed by the Group Chief Financial Officer and endorsed by the Co-Chief Executives, outlines the Group's tax strategy, which is founded on the principles of responsible compliance and cooperation with tax authorities in all jurisdictions where we operate. The Group strictly adheres to the tax strategy, which, among other things, includes transfer pricing principles for related party transactions. These principles are aligned with relevant transfer pricing legislation, the latest Organisation for Economic Cooperation and Development (OECD) guidelines, and Base Erosion and Profit Shifting developments.

As a Hong Kong tax resident, the Group primarily pays taxes in Hong Kong, adhering to all relevant laws and avoiding abusive tax planning schemes and practices. The Group has a prudent tax risk appetite, ensuring that relevant risk is managed through a detailed review and control of its tax reporting process to ensure timely submission of tax returns, and strictly prohibits involvement in or facilitation of tax evasion. Furthermore, the Group's Policy explicitly declares that it does not engage in or support any artificial or abusive schemes aimed at minimising tax liabilities in any jurisdiction.

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 OECD.

### Anti-Corruption Measures

<b>1. Conflict of Interest Policy</b>	Employees are required to avoid any actual or potential conflicts of interest or the perception of such conflicts.
<b>2. Conduct when Obtaining Business</b>	Employees are prohibited from offering or accepting bribes or advantages, as defined in the Prevention of Bribery Ordinance, to influence decisions of others whether directly or indirectly.
<b>3. Personal Benefits</b>	Employees are prohibited from soliciting, accepting, or retaining personal benefits from other employees, customers, or suppliers of the Group, other than in specific circumstances.

### Fraud Risk Management

Our Group Policy on Fraud Risk Management provides clear guidance on implementing a holistic risk management mechanism that includes prevention, detection, investigation, and corrective actions. Subsidiaries and joint ventures adhere to similar policies aligned with our core values.

In our comprehensive strategy to combat fraud, we prioritise preventive measures such as risk assessments, prevention and



## Performance

## Compliance

ESG Code/GRI Standards	Indicator	Unit	2025	2024	2023
<b>Incidents of non-compliance with laws and regulations</b>					
GRI 2-27	<b>Total</b> significant instances	Number	0	0	0
	Significant instances of non-compliance with laws and regulations <b>for which fines were incurred</b>		0	0	0
	Significant instances of non-compliance with laws and regulations for which <b>non-monetary sanctions were incurred</b>		0	0	0
	Significant instances of non-compliance with laws and regulations regarding <b>conflicts of interest</b>		0	0	0
	Significant instances of non-compliance with laws and regulations regarding <b>money laundering or insider trading</b>		0	0	0
	Significant instances of non-compliance with laws and regulations regarding <b>labour standards</b>		0	0	0
GRI 406-1	Incidents of discrimination		0	0	0
	Cases of human rights violations		0	0	0
<b>Incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications</b>					
GRI 417-3	<b>Total</b>	Number	0	0	0
	Incidents of non-compliance with regulations resulting in a <b>fine or penalty</b>		0	0	0
	Incidents of non-compliance with regulations resulting in a <b>warning</b>		0	0	0
	Incidents of non-compliance with <b>voluntary codes</b>		0	0	0
<b>Incidents of corruption</b>					
KPI B7.1 GRI 205-3	Number of concluded legal cases and actions taken	Number	0	0	0
<b>Fines for instances of non-compliance with laws and regulations</b>					
GRI 2-27	<b>Total number of fines</b> for instances of non-compliance with laws and regulations	Number	0	0	0
	Cost of fines, penalties or settlements in relation to corruption	HK\$M	0	0	0
	Total number fines/settlements over the previous three years where each is valued >US\$100 million	Number	0	0	0
	Combined total value of fines/settlements over the previous three years where each is valued >US\$100 million	HK\$M	0	0	0



## Whistleblowing

Indicator	Unit	2025	2024
Total number of reports received from whistleblowers	Number	8 <sup>38</sup>	11

## Anti-corruption policies and training

ESG Code/GRI Standards	Indicator	Unit:	2025		2024	
			Number	%	Number	%
GRI 205	Board Directors who attended anti-corruption training/that BEA's anti-corruption policies and procedures have been communicated to	<b>Total</b>	<b>15</b>	<b>100</b>	<b>17</b>	<b>100</b>
		Hong Kong	14	100	15	100
		Other markets	1	100	2	100
	Employees who attended anti-corruption training/that BEA's anti-corruption policies and procedures have been communicated to <sup>39</sup>	<b>Total</b>	<b>8,809</b>	<b>100</b>	<b>9,158</b>	<b>100</b>
		Hong Kong	4,351	100	5,400	100
		Chinese Mainland	3,845	100	2,973	100
		Other markets	613	100	785	100
		General manager and above	26	100	35	100
		Senior manager and manager	4,879	100	4,991	100
		Officer, clerical, and non-clerical	3,688	100	3,966	100
Contract and part-time staff	216	100	166	100		

<sup>38</sup> As at the end of 2025, four cases were currently under review. One of these cases was partially substantiated, while the remaining allegations were found to be unsubstantiated. The substantiated case involved a staff member who breached the Code of Conduct and was subsequently terminated during the reporting year.

<sup>39</sup> The rate is calculated based on the number of staff members applicable for each anti-corruption training course. The applicability of staff members varies for each course, depending on whether they joined the Group on or before a certain date.



## Systemic Risk Management

### Policies/Guidelines

- Group Risk Management Policy
- ERM framework

### Risk Governance

The Board holds ultimate accountability for risk management, approving the Group's risk appetite, policies, procedures, and limits. The Risk Committee, the top risk governance body under the Board, oversees the formulation of the RAS and ensures it is embedded in the policies and procedures. Supported by Management Committees throughout the Group, the Risk Committee regularly reviews the Group's ERM framework and ensures key risk-related tasks follow established policies with appropriate resources. To ensure the appropriate delegation of risk management responsibilities, the "Three Lines of Defence" model has been implemented:

- Risk Owners as the first line of defence,
- Risk Controllers as the second line, and
- IAD as the third line.

Further details on how our governance bodies manage ESG risks and climate-related risks are available in the [Corporate Governance](#) and [Climate-related Risk and Resilience](#) sections.

### Approach to Risk Management

#### Objectives

BEA defines risk appetite as the level of risk that the Group is willing to accept in achieving its strategic goals. An appropriate risk appetite ensures that business activities provide a sufficient balance of return for the risk assumed, and that they remain within a suitable level risk for the Group.

#### Review

To ensure appropriateness with reference to the market practices, the HKMA's latest supervisory policies, and the Bank Group's strategic objectives, as well as the latest market

conditions and business environment, the RAS framework and underlying quantitative key risk indicators and qualitative statements are subject to regular review.

Key control parties (i.e., Risk Controllers in respect of the major risk types identified under the ERM framework and the de facto Controller Department or Division that undertakes the relevant control and monitoring functions in respect of other risk and finance items) work closely with GCRO and RMD to determine appropriate changes in relation to the RAS of the risk types and items under their management as part of a regular review.

#### Approval

The RAS should be submitted to Management Committees for the first round of independent review and comment. On top of the review, if Management Committees consider that change is required for the RAS, it will be proposed to the Risk Committee and the Board for approval.

The Risk Committee is responsible for the final review of the RAS recommended by the Management Committees. Once the endorsement of the Risk Committee is obtained, the RAS will be submitted to the Board.

The Board will discuss and ultimately decide whether to approve the RAS.

#### Business Implementation

Once the RAS is approved by the Board, key control parties communicate it to all other relevant parties and ensure that the respective risk types and items under their management will continue to be managed with due consideration of the Bank Group's latest risk appetite.

The RAS should be applied by the Management Committees of the Bank Group (i.e., the Risk Management Committee, Asset & Liability Management Committee, Credit Committee, Operational Risk Management Committee, and other designated Steering Committees) when formulating risk management policies and control limits.

Both quantitative and qualitative RAS are adopted to outline the principles that drive how the business and its risks are managed. Our RAS and further details on how we manage our principal risks can be found in the Report of the Co-Chief Executives in our [2025 Annual Report](#).

### Building a Robust Risk Culture

A strong risk culture is essential for the effective implementation of our ERM framework, as it enables staff to exercise sound risk judgement, particularly in challenging situations. To cultivate a robust risk culture, we provide regular risk management education for all Directors, including non-executive Directors, and focused training throughout the organisation on risk management principles and specific risk types, such as operational and reputation risks.

In addition, all staff are required to undergo an annual refresher training on the ERM framework, with access to relevant materials via the Risk Management Portal on the staff intranet.

### Performance

For performance metrics related to systemic risk management, such as capital ratio, please refer to our latest [Annual Report](#) and [Banking Disclosure Statement](#).



## Cybersecurity and Data Privacy

### Policies/Guidelines

- Code of Conduct
- Cybersecurity Policy
- Group Policy on General Data Protection Regulation (GDPR)
- Group Policy on Personal Information Protection Law (PIPL)
- Group Privacy Policy
- General Guideline on Personal Data Protection
- Information Security Policy
- [Privacy Policy Statement](#)
- Technology Risk Management Manual

### Governance and Risk Management

Our Group's cybersecurity and data privacy governance is built on the "Three Lines of Defence" risk management model, which helps identify and monitor cybersecurity and data risks while clarifying the roles and responsibilities of committees involved. The effectiveness of the Group's cybersecurity and data protection governance framework and control processes is independently and regularly assessed by the IAD following a risk-based approach or by qualified external assessors.

### Cybersecurity

Our cybersecurity governance is overseen by the Group Chief Information Officer, who reports quarterly to the Risk Committee on the Group's cybersecurity strategy, technology risk-related projects, and major cyber threats. The Risk Committee<sup>40</sup> then reviews potential risks and reports significant issues to the Board.

As part of our commitment to safeguarding information, our Information Security Policy provides a comprehensive framework detailing the infrastructure, organisational structure, and our employees' responsibilities essential to managing information security. It also defines information security

requirements for third parties and demonstrates the Group's commitment to continuously improving its information security systems, ensuring the integrity and protection of data, and vigilance and responsiveness to related threats.

The Group has developed a cybersecurity strategy, which serves as a framework to enhance its cyber resilience. This strategy lays the foundation for relevant policies and guidelines and is integrated into our ERM framework. We also take a proactive approach to addressing cybersecurity by adopting a Cyber Resilience Assessment Framework to evaluate inherent risks and the maturity levels of our cybersecurity measures against defined control principles. Additionally, we leveraged a Cyber Intelligence Platform and threat feeds to stay updated on the latest threats and implemented a Professional Development Programme to ensure that relevant personnel are properly qualified.

To ensure the robustness of our defences, we conduct regular internal and independent external security audits aligned with ISO 27001 standards, vulnerability assessments, and penetration testing.

Our security framework also includes multiple layers of monitoring, including an emergency response team to manage cyberattacks and implement precautionary and contingency measures. If service disruption, data alteration, data leakage, or system intrusion occurs, cyber incident response and recovery is treated as a Group-wide business imperative, with remediation objectives established and monitored by Senior Management. Relevant stakeholders are fully aware of their designated accountabilities, responsibilities, and roles in case cyber incident response and recovery plans are triggered. These disaster recovery procedures are clearly outlined in the Bank's Cybersecurity Policy, the Guidelines for Incident Response and Management, and the Technology-Related Incident Response and Escalation Procedures.

### Our Cybersecurity and Resilience Management Approach



- **Collect and share threat intelligence** – Use cyber intelligence (contextual and technical) to better predict, detect, prevent, respond to, and recover from threat actions against the Group
- **Identify** – Understand and prioritise the elements that need protection and determine how that protection can be effectively provided
- **Protect** – Develop and implement processes, policies, and technology to protect assets
- **Detect** – Develop and implement mechanisms to detect when cyberattacks are occurring, may occur, or have occurred
- **Respond** – Develop and implement mechanisms to react to detected cyberattacks. This requires a combination of people, processes, and technology
- **Recover** – Develop and implement mechanisms to maintain resilience and quickly reduce the impact of a successful attack

<sup>40</sup> Dr Delman Lee, a member of the Risk Committee, possesses extensive experience in information technology and management within global operations.



In response to the increasing adoption of cloud technology, BEA has integrated a cloud governance and risk management framework into the Group's ERM framework. This includes a dedicated Cloud Risk Monitoring Team focused on managing cloud-related cybersecurity risks and protecting sensitive data. Given the global rise in A.I. adoption, the Group has already proactively implemented a data and A.I. governance framework with a risk-based and principle-based regulatory approach, ensuring secure and responsible use of A.I. technologies.

Regionally, markets tailor their approaches to reflect local needs and requirements. For example, BEA China has comprehensively strengthened its data security organisational structure and decision-making support by establishing a data security governance framework and accountability system. In accordance with the requirements of The National Financial Regulatory Administration (NFRA) and the PBOC, BEA China has carried out various tasks such as data security risk assessments, data classification, and tiered data security management. It is building a data security management system to ensure the safety and protection of banking data and customer privacy.

### Data Privacy

BEA fully complies with personal data privacy laws in all jurisdictions where it operates, including the Hong Kong Personal Data (Privacy) Ordinance, the UK GDPR, and the Chinese Mainland PIPL. Comprehensive policies and guidelines help safeguard our customers' data and personal information privacy. Our publicly available Privacy Policy Statement outlines our approach to data collection and retention according to the regulatory requirements. Customers are informed of the

purpose of personal information collection, data transfer, and their rights to access and correct their information.

BEA's Group Privacy Policy sets out general personal data protection principles that apply across the majority of the Group's operations, helping to ensure personal data is handled with care and confidentiality with respect for individual rights. Service providers are also expected to protect personal data in accordance with the Group Privacy Policy, and all service provider onboarding and monitoring are subject to third-party risk assessment, with data privacy being one of the assessment criteria. The Group Privacy Policy is subject to annual and ad-hoc review when necessary.

Our Group Policy on PIPL assists Group members outside the Chinese Mainland in complying with PIPL requirements issued by Chinese Mainland regulators, while our Group Policy on GDPR offers guidance on managing personal data in compliance with UK GDPR, the Data Protection Act 2018, and the Information Commissioner's Office's publications, which give further context on how the regulations apply to in-scope firms. The Privacy Policy Statement, General Guideline on Personal Data Protection, and other data privacy-related policies and guidelines are reviewed annually.

Our Board receives formal reports on significant data privacy matters, including severe breaches. Meanwhile, the Head of Compliance Division serves as the Group Data Protection Officer, overseeing efforts to protect personal data privacy. Responsibilities include ensuring the protection and proper management of personal information, addressing privacy-related risks and challenges, and ensuring compliance with

relevant regulations while meeting best practices. If a breach does occur, prompt action is taken to investigate the root cause, respond, and remediate the situation. Depending on the situation, severe cases or those that involve regulatory non-compliance are immediately escalated to Compliance Division and local compliance functions. Material breaches are reported to the HKMA and other regulators as required.

Different Group members have the flexibility to develop their own data protection policies to best meet local regulatory requirements while following the Group's overall approach.

For more information about how we manage data privacy risks associated with A.I., please see the [Technology Innovation](#) section.

### Enhancing Employee Awareness through Training

To ensure ongoing awareness and compliance, all staff, including part-time and contract employees, receive annual refresher training on personal data protection, information security, and cybersecurity risk. Training seminars or webinars are also organised on an as-needed basis for specific staff groups. These sessions underscore employees' roles and responsibilities in handling and safeguarding data, as well as adhering to the requirements and guidelines outlined in our policies and procedures. The Group also regularly conducts surprise tests to evaluate how well employees can identify and respond to potential phishing threats. We also encourage our staff to report incidents, vulnerabilities, or suspicious activities related to information security. This proactive approach helps us minimise the risk of data breaches and cyberattacks.



## Performance

ESG Code/GRI Standards	Indicator	Unit	2025	2024	2023
<b>Incidents of non-compliance with laws and regulations</b>					
GRI 2-27	Significant instances of non-compliance with laws and regulations regarding <b>customer data privacy</b>	Number	0	0	0
<b>Information security breach</b>					
GRI 417-3	Cases of information security breaches	Number	0	0	-
	Total number of clients, customers, and employees affected by the information security breaches		0	0	-
<b>Complaints regarding breaches of customer privacy and losses of customer data</b>					
GRI 418	<b>Total</b> substantiated complaints regarding breaches of customer privacy and losses of customer data	Number	0	0	1
	Substantiated complaints received from <b>outside parties and substantiated</b>		0	0	0
	Substantiated complaints received from <b>regulatory bodies</b>		0	0	1



## Responsible Products and Services

### Policies/Guidelines

- Code of Conduct
- Conflict of Interest Policy

### A Principled Approach

As a signatory to the HKMA's TCF Charter, BEA is committed to upholding the principles of transparency, reasonableness, and efficiency in the design and marketing of our products and services. To maintain the highest standards of business conduct and integrity, as well as adherence to the TCF principles, we have in place a Code of Conduct and Conflict of Interest Policy.

To help ensure ongoing compliance with the TCF Charter and continually improve our products and services, our staff in Hong Kong receive annual refresher training. This training covers the principles and requirements of the TCF Charter, including topics such as risk information sharing, responsible product offerings, marketing practices (e.g., avoiding disrespectful treatment of targeted groups), and best practices for complaint handling. Additionally, all relevant customer-facing employees undergo yearly training sessions focused on sales ethics (e.g., avoiding aggressive sales techniques), professional conduct, and consumer financial protection. Furthermore, we continuously monitor the social impacts and risks associated with the Group's current products and services.

We ensure mechanisms are in place to receive and investigate complaints regarding our products and services and to implement timely corrective actions. We monitor and enhance customer complaint handling, as well as tracking progress against TCF KPIs. These KPIs, closely monitored since 2021, are also included in the Bank Culture Dashboard managed by the BCWG. This helps ensure various departments operate in line with the TCF Charter, promoting a culture of fairness and customer-centricity throughout BEA.

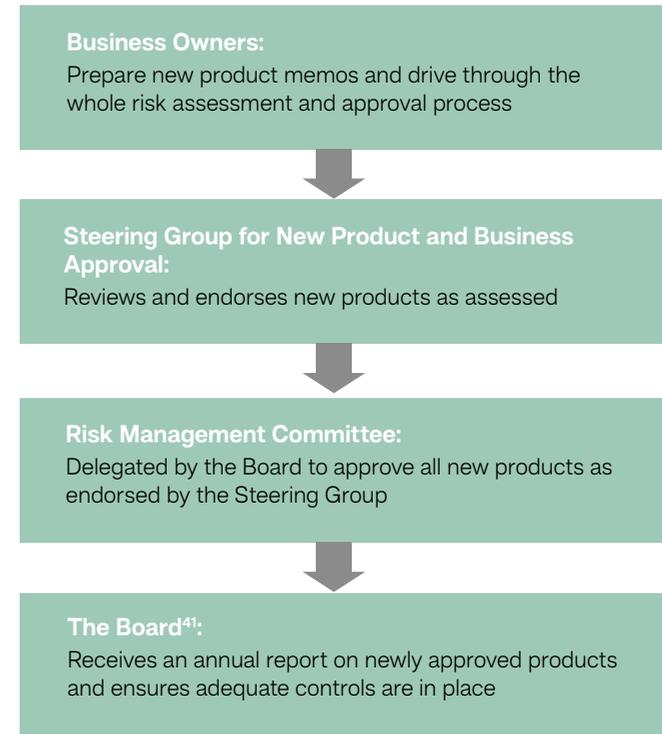
Regionally, we adhere to applicable regulations and guidelines while developing approaches tailored to address local contexts. In Singapore, our branch has developed a [Fair Dealing Commitment Statement](#) that aligns with the Monetary Authority of Singapore's Guidelines on Fair Dealing. In the UK, a Consumer Duty Policy and a Vulnerable Customer Procedure Manual & Policy are in place, and a Consumer Duty Working Group has been set up with UK management oversight to help ensure retail customers, including vulnerable customers, receive good customer outcomes. To raise awareness and familiarise staff with the above requirements, training was delivered to all staff in Singapore and the UK, respectively, during the reporting period.

### New Product Approval

Well-structured products not only better meet customer needs but also reduce complaints and regulatory risks. Our new product approval procedure standardises approvals through a rigorous evaluation process, including risk assessment, business and financial analysis, and consideration of TCF principles and ESG risk criteria where applicable. The process applies to all banking, investment, financial, and non-financial products and services, as well as technology-related and digital banking services offered through our Hong Kong branch network, business units, and e-channels. For new funds, BEA Union Investment advises relevant parties, including BEA Trustees, and coordinates the authorisation process with the SFC and the MPFA.

This thorough evaluation and approval process helps ensure new products meet quality standards, undergo comprehensive risk assessment, and comply with regulatory requirements.

### New Product Approval Process



<sup>41</sup> The Board also has oversight of current product and service reviews.



### Ensuring Informed Financial Decision Making

In line with the TCF Charter, BEA shares comprehensive product information, including risk information, potential negative consequences and terms, to customers before, during, and after the point of sale, ensuring they have what they need to make informed decisions. This includes offering documents, product key fact statements, and relevant amendments, emphasising accurate and complete communication of any updates or changes in disclosure information, particularly on fees and charges. We also ensure all marketing and promotional materials, and information shared with customers, are accurate, clear, and effectively communicated. We prioritise our customers' best interests by tailoring advice and product offerings to their personal profiles and the complexity of the services or products involved.

To further support informed financial decision making, we offer educational resources across 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 educational videos to keep customers well informed.

Each relevant business unit has applicable TCF principles and marketing material review guidelines integrated into their respective operation manuals. Advertisements in relation to SFC-authorized unit trusts or mutual funds must additionally comply with our Advertising Guideline on Unit Trusts and Mutual Funds Authorised by the SFC. This Guideline is reviewed on an annual basis. Within the Personal Banking and Wealth Management Divisions, risk and compliance personnel are responsible for reviewing and approving the marketing materials.

For more information about our efforts to improve financial literacy, please see the [Financial Literacy and Inclusion](#) section.

### Assessing the Financial Capabilities of Customers

We comply with regulations set by the HKMA, SFC, IA, and MPFA for financial services providers when engaging with customers. Our tailored financial products and services are designed to meet specific needs, ensuring careful evaluation

of each customer's financial capabilities before offering any product, service, or advice. Investment and insurance services, in particular, involve greater financial risks compared to general banking services. We therefore only offer these services to customers after carefully evaluating their financial objectives, risk tolerance, or insurance needs.

When extending personal loans or credit, we follow strict internal guidelines and refer to credit reports from agencies like TransUnion to help ensure that we do not extend additional credit to financially burdened customers. We also offer solutions like credit card debt consolidation plans to help overextended customers manage repayments more effectively.

Vulnerable customers, including the elderly and those living with dementia, may be accompanied by a family member or friend to facilitate their understanding of a 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.

Our OneBank CRM (Customer Relationship Management) platform equips our sales and relationship managers with deeper insights into customer needs and preferences. The platform integrates backend systems to provide a complete view of customer profiles and includes tools for evaluating customer risk profiles and tailoring product offerings. It also features sales management tools to enhance service quality and operational efficiency. Additionally, our One-Stop Know Your Customer (KYC) platform provides a unified customer view for risk assessment and compliance. Together, these initiatives enable us to better understand customer financial capabilities and deliver customised products more effectively.

### Standalone Debt Collection and Debt Recovery Policy

Our debt collection policies clearly define the process for recovering debts from retail and corporate customers, aiming to ensure fair treatment with a proportionate and consistent approach for 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 case studies.

### Meeting Customer Expectations

We prioritise the efficient and effective handling of customer complaints. Our procedures are guided by the ISO 10002:2018 Quality Management: Customer Satisfaction Standard and are regularly subject to internal and ISO audits. Our complaint management system was most recently audited in 2025. Our procedures also align with the Revised HKMA's SPM C-4 "Complaints Handling and Redress", ensuring compliance with industry standards and best practices.

Complaints are managed in line with local regulatory requirements, international standards, and best practices, which helps us identify trends, address root causes of complaints, and improve our operations. Designated complaint officers manage cases and provide comprehensive investigation reports for final review by the Service Quality Section. Objectives for complaint management include determining the number of substantiated cases, timely completion, and enhancing overall customer satisfaction. Complaint management reports, which include key customer complaint statistics, are sent to the Senior Management and department heads quarterly, with KPIs reported to the Board and Remuneration Committee through the Bank Culture Dashboard. Tailored procedures have been developed for customer complaints dealing with particularly complex financial products, including FX accumulators for hedging purposes, as well as the purchase and sale of investment products.

Our streamlined complaint-handling process involves appropriate documentation, escalation when needed, and fair resolution. We value feedback and continually enhance our complaint handling based on customer input. In the Chinese Mainland, our complaint-handling operating procedures include dispute settlement processes with delineation of management roles and responsibilities.



Direct customer feedback also helps us measure satisfaction, directly impacting our financial performance. We collect feedback through a quarterly NPS and Transactional Surveys, along with an annual Mystery Shopper Study that evaluates service quality across various touchpoints, including our branches, relationship managers, and digital channels. These insights inform cross-departmental improvement plans to uphold service excellence.

#### Customer Communication Channels

- In-branch customer service representatives
- In-branch customer suggestion forms
- Customer service hotlines
- Online enquiry e-form
- Live chat via BEA Mobile

Sharing and analysing complaint information is critical for ongoing improvement. Internal communication on complaints is facilitated through internal platforms such as the "Service Quality Bulletin", "Designated Complaint Officer Newsletter", and "Branch Distribution & Services Department Complaints Watch". Through these channels, we share complaint-handling cases, customer feedback, and best practices, promoting high service standards and working to prevent sub-standard service delivery. We also organise meetings to update our staff on regulations and complaint cases, further reinforcing a culture of service excellence.

The Customer Complaint Analysis Dashboard provides relevant statistics and regular updates on complaints using data visualisation. This tool helps us analyse trends, derive insights, and make informed decisions, further improving our ability to address complaints.

#### Tailoring Services to Customer Needs

Our banking solutions are designed to meet the diverse needs of customer segments, from financing for local businesses and SMEs to innovative platforms for [digitally savvy customers](#), [investors](#), NGOs to collect donations, and more. Across our entire portfolio, we are committed to meeting and exceeding customer expectations responsibly while promptly responding to their feedback and concerns. For more information about our products and services, please visit our [website](#).

#### Performance

Indicator	Unit	2025	2024	2023
Compliments received by the Group		26,316	23,213	20,003
Complaints received by the Group	Number	6,202	4,682	4,040
Complaints verified and substantiated by the Group		292	191	250



## Financial Literacy and Inclusion

### Policies/Guidelines

- [Sustainability Policy](#)

### Guiding Principles and Requirements

As a signatory to the TCF Charter, BEA is dedicated to promoting financial literacy and inclusion. Financial education is embedded in our service delivery, with approaches tailored to reflect the needs of different demographics and markets.

Annual TCF refresher training for our Hong Kong employees reinforces our commitment to providing reasonable access to basic banking services, especially to vulnerable groups, and promoting financial literacy. Topics include the Practical Guideline on Barrier-free Banking Services and the guidelines regarding ATM installation launched by The Hong Kong Association of Banks (HKAB), as well as the benefits of BEA's Community Care Counter.

Across our markets, we adhere to applicable guidance and develop approaches that reflect local contexts. For example, the Vulnerable Customers Procedure Manual & Policy and Arrears Handling Manual enable our teams in the UK to support vulnerable customers experiencing financial difficulties. A Consumer Duty Working Group, as well as "Vulnerable Customer Champions" and "Consumer Duty Champions" at the management and operational levels in the UK help us ensure good customer outcomes. For more information about how we implement regulatory guidance across our markets, please see the Management Approach for [Responsible Products and Services](#) section.

Our efforts to promote financial literacy and inclusion are overseen by the ESG Steering Committee, including the efforts of our Personal Banking Division to promote digital banking among customers aged 60 and above.

### External Engagement Efforts

We actively engage with external stakeholders, including the IFEC in Hong Kong, to stay informed on 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, working to find effective solutions and remove barriers. This ongoing engagement helps us continuously improve our initiatives to better serve the needs of our customers.

We work to ensure our customers and the general public understand, and can effectively utilise, our diverse range of products and services. Our efforts focus on youth, senior citizens, customers with special needs, those in remote areas, and small businesses—targeting some of the groups that can benefit most from our offerings.

### Tailored Approaches for Different Customer Segments

We develop tailored support to address the needs of different customer groups, delivering the right combination of education and products across every stage of life and location. From vulnerable individuals to microenterprises, our programmes integrate practical guidance with inclusive services to help each segment thrive.

For more information on our other social programmes supporting them and other groups, please see the [Community Investment](#) section.

### MPF Customers and the Public

We regularly distribute foundational investment knowledge to promote financial literacy among MPF customers and the public through multiple channels. The Investment Corner on BEA's MPF website offers resources, including quarterly "BEA Wise" market intelligence reports. The BEA MPF e-Newsletter with investment insights is also published on the MPF website and sent directly to MPF customers via email.

### Senior Citizens and Customers with Special Needs

We provide safe and convenient access to our services through an inclusive branch network across markets. Specially designed teller counters and ATMs cater to customers requiring wheelchair access, visual or auditory support, and other forms of assistance. Active listening systems are installed at counters and in meeting rooms at all our branches in Hong Kong to support hearing-impaired customers. To better cater to the specific needs of some customers, we have set up a Community Care Counter at selected branches. This counter is clearly marked with a special counter plate and floor sticker for easy identification. A Customer Experience Manager or designated staff member is available to assist and guide customers as needed. Additionally, a conversational live chat service is available via the BEA website and BEA Mobile. For senior citizens, we offer the following benefits:

- Preferential interest rates
- Service charge concessions
- Fee waivers (for participants of the Comprehensive Social Security Assistance Scheme only)
- Hong Kong Mortgage Corporation Reverse Mortgage Programme
- FastCash Card abridged ATM banking service
- Money Safe options to protect assets against fraud and scams

To ensure the individuals affected by dementia have smooth and secure access to our banking services, we offer a [Basic Hong Kong Dollars Savings Account](#) service, which is in line with the Guideline of Banking Service for Persons with Dementia of Hong Kong.

**Customers in Remote Areas**

While customers in outlying communities may be physically distant, their needs remain a priority. We continuously monitor the requirements of customers in remote areas and adjust service arrangements as appropriate. Extended operating hours through our i-Teller virtual counter services, enhanced banking options via online/mobile banking, as well as multifunctional ATMs improve accessibility among this group.

Through the SME Financing Guarantee Scheme backed by HKMC Insurance Limited, we offer commercial loans with an 80% or 90% guarantee. We also offer the Enterprise Easy Fund to support SMEs throughout their business lifecycle. Our various loan programmes help micro-enterprises navigate challenges and access the funding needed to establish and expand. For more details, please see the [Responsible Products and Services](#) section.

**Microfinance**

BEA provides a comprehensive range of financial services, from account opening to cash management, treasury, and insurance services, to address the unique needs of SMEs. For example, we offer flexible credit arrangements, including partial principal repayment and principal moratoriums for trade loans, to support SMEs for a smoother transition to resume normal operation in the complex environment.

Meanwhile, we have established partnerships with other financial institutions to deliver microfinance solutions in the Chinese Mainland.

**Performance**

Indicator	Unit	2025	2024	2023
Digital active ratio among customers aged 60 and above	%	28.6	25.5	22.3



## Sustainable Finance

### Policies/Guidelines

- GSF framework (including sector policies)
- [Sustainability Policy](#)
- [Environmental Policy](#)
- [Human Rights Policy](#)
- GRIP

### Regulatory Requirements and Best Practices

We approach sustainable finance opportunities in line with local regulations and guidance in the markets in which we operate, as well as international standards and principles.

These include, but are not limited to:

- the Announcement on Adjusting the Statistical Content of Green Loans issued by the PBOC (《關於調整綠色貸款統計內容的通知》);
- the EU Taxonomy for Sustainable Activities;
- the Green Bond Principles, Social Bond Principles, Sustainability-linked Bond Principles, and Climate Transition Bond Guidelines;
- the Green Finance Guidelines for the Banking and Insurance Industries issued by the NFRA;
- the Green Loan Principles, Social Loan Principles, Sustainability-linked Loan Principles and Guide to Transition Loans;
- the Guideline on Environmental Risk Management for Banks issued by the Monetary Authority of Singapore (MAS);
- the HKMA's SPM on Climate Risk Management;
- the Hong Kong Taxonomy for Sustainable Finance issued by the HKMA;
- the UN PRB;

- the UN Principles for Responsible Investment (PRI); and
- the 2025 edition of China's Green Finance-endorsed Project Catalogue (《綠色金融支持項目目錄(2025)》) issued by the PBOC, NFRA, and China Securities Regulatory Commission.

### ESG Investment Governance

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 overall investment strategies, including the annual assessment and updating of the portfolio plan to grow the ESG debt securities portfolio, while the ESG Committee and ESG Steering Committee focus on monitoring the Group's green and sustainable investments.

Our commitment to sustainable investing is reflected in various Group frameworks and policies on specific topics, including but not limited to the GSF framework, Sustainability Policy, Environmental Policy, and Human Rights Policy. In addition, the Treasury Markets Division, along with relevant business units and subsidiaries, adheres to the overarching GRIP, which clearly defines governance structures and responsibilities for integrating sustainability into financial and strategic investments, portfolio-building, debt securities analysis, and other activities.

The GRIP outlines our approach to incorporating ESG factors into the investment process, including how each factor is defined and considered, the exclusions applied, asset class and sector-specific guidelines. These guidelines specify the approaches for maintaining ESG-focused portfolios across debt securities and equity securities. Additionally, the GRIP highlights the importance of aligning portfolio management strategies with the Group's financed emissions targets. The financed emissions from our bond investments are measured, and progress against sectoral targets is actively monitored and reported. For more information, please refer to the [Climate-related Risk and Resilience](#) section. Investment managers rely on the GRIP to assess environmental performance and its potential impact on an issuer's risk profile and access to capital for debt servicing, demonstrating our commitment to engaging business partners on ESG matters.

In addition, as a signatory to the Green Investment Principles for the Belt and Road, BEA promotes green investment in the region. These principles, developed by the Green Finance Committee of the China Society for Finance and Banking, and the UK-China Green Finance Centre, guide us as we enhance ESG integration, communication, engagement, and innovation.

### Asset Management

BEA Union Investment, our asset management subsidiary, became a PRI signatory in 2021 and joined Climate Action 100+ (CA100+) in 2023. Since then, it has actively engaged portfolio companies and conducted engagement meetings with other institutional investors under CA100+ on ESG-related issues.

ESG factor analysis is conducted at the start of the investment process, enabling the identification, assessment, and valuation of companies, as well as the integration of ESG factors into portfolios. This covers initial screening, research, portfolio construction, and risk analysis. Post-investment, BEA Union Investment engages with investee companies to exercise shareholder rights and promote sustainable business practices. Stewardship practices focus on assessing ESG performance, identifying risks and opportunities, and proxy voting. BEA Union Investment's Proxy Voting Policy outlines general voting principles and guidelines on governance factors, including the election of Directors and non-executive Directors, among others. Insights from ESG research and stewardship activities further inform portfolio managers' decisions, aligning them with specific investment objectives, requirements, and ESG risk appetite.

BEA Union Investment also integrates ESG factors into its risk management framework to identify material ESG risks and issues across covered strategies. Comprehensive policies, including its ESG Risk Management Policy, guide BEA Union Investment's identification and assessment of climate-related risk impacts. In compliance with SFC requirements, BEA Union Investment has been calculating and disclosing portfolio carbon emissions of funds for which climate-related risks were deemed relevant and material since 2022.



For more details on BEA Union Investment's commitments and practices, please refer to its [Responsible Investment Policy](#), [Engagement Policy](#), and [Proxy Voting Policy](#).

### ESG Risk Management in Financing Activities

Various ESG factors can have significant impacts on the credit quality of borrowers across BEA's diversified portfolios. To mitigate these risks, our Credit Risk Management Manual requires ESG risks to be considered in financing activities, including the potential environmental and social impacts of the borrower's business activities. In credit applications, controversies and news regarding the borrower's ESG practices are also examined. Risk mitigating actions and justifications are documented when major issues are identified.

### Greenwashing Mitigation

We integrate ESG and climate-related matters into our products, services, and processes through numerous channels. For example, our new product approval procedure requires business units to consult SUD and EROD on ESG-themed products and services. This helps ensure products and services support proper ESG causes and subject matter expertise is applied to identify and address potential greenwashing risks before they materialise.

Consistent, technically sound definitions and methodologies are a critical part of greenwashing prevention. With this in mind, BEA actively promotes GSF development in the markets we serve in line with our GSF framework, which was established to mitigate greenwashing risk in our GSF portfolio. Its components help us identify and assess the environmental and social impacts of the projects we finance. Regarding the critical issue of climate change, the framework adopts the IMPACT+ Principles for Climate-Aligned Finance, a recognised approach to achieving real-economy decarbonisation towards a 1.5°C future.

The definitions of GSF are clearly outlined within the GSF framework:

Types of GSF	Definitions
<b>Green loans</b>	Support green projects, such as energy efficiency, renewable energy, and green buildings. These loans can finance or refinance, in whole or in part, companies and projects that adhere to the Green Loan Principles.
<b>Social loans</b>	Support projects that aim to create positive social outcomes, such as enhancing healthcare accessibility, constructing affordable housing, and supporting microfinancing. These loans can finance or refinance, in whole or in part, companies and projects that adhere to the Social Loan Principles.
<b>SLLs</b>	Associated with pre-defined sustainability-linked targets, such as carbon emissions reduction, employee training hours, or board diversity. SLL customers are required to follow SLL Principles, with regular monitoring through progress reports.

### Five Key Components of the GSF framework

Components	Purpose	Application
<b>1. List of Prohibited Lending</b>	Specifies transactions or activities that BEA will not knowingly finance	No exceptional approval will be granted for transactions or activities outlined on the <a href="#">list</a> .
<b>2. Sectorisation List</b>	Classifies sectors into "green" and "brown" categories	This serves as an initial screening of green financing requests and provides a more standardised approach to classifying corporate exposure to support reporting.
<b>3. Sector Policies</b> (including the Energy, Manufacturing (Chemicals), Metals & Mining, Power Utilities, Property Development and Construction, and well as Transportation sectors)	Defines the scope of "brown" sectors and provides detailed guidance on differentiating "green" activities within "brown" sectors, based on regional taxonomies	This serves as one of the tools to help the Group in achieving net zero financed emissions by facilitating GSF in brown sectors and supporting their transition journeys.
<b>4. List of External Reviewers</b>	Serves as a directory of the external parties approved by the Group to independently assess BEA's GSF deals	Applicable GSF deals should be assessed by a BEA-approved external reviewer, which is qualified and recognised to provide the assessment service.
<b>5. GSF Classification Checklists</b>	Evaluates potential GSF financing activities according to international GSF certification standards and applicable industry practices for green, sustainability-linked, or social projects/activities	An enhanced due diligence tool stipulates eligibility criteria of a potential GSF deal. It provides a step-by-step guide to facilitate a robust examination of compliance to the recognised standards.



### GSF Governance at BEA China

Apart from the GSF framework and sector policies, BEA China has established internal guidelines to support the development of GSF business in the Chinese Mainland. For example, GSF Business Management Measures (《綠色及可持續融資業務管理辦法》) outline the organisational structure, division of responsibilities for GSF development, and compliance requirements for GSF business activities in the Chinese Mainland. It further details key aspects such as approval principles, pre-loan due diligence, credit review, and post-loan management. To standardise the management and operation of transition finance, and to define its scope of application, BEA China has also released the Transition Finance Business Measures (《轉型金融業務管理辦法》) for internal use.

In addition, a Green Loan Business Strategy section under Corporate Business Credit Directional Guidelines (《企業機構業務信貸投向指引》) indicates the key industries and sectors to be prioritised and supported. Meanwhile, Operational Guidelines for Carbon Emissions Reduction Facilities (《碳減排支持工具業務操作規程》) provide guidance in leveraging PBOC's innovative monetary policy tool.

### Dedicated GSF Expertise at BEA

Customers can tap into expert knowledge and tailored sustainable finance products and services through our dedicated GSF advisory team. The team works closely with relationship managers, external reviewers, and sustainability-focused organisations to promote GSF opportunities, provide comprehensive consulting services throughout the lending process, and enable customers to obtain financing to achieve their sustainable development goals.

### Performance

#### GSF Loans and ESG Bonds<sup>42</sup>

Indicator	Unit	2025	2024	2023
<b>Total GSF loans and ESG bond investments</b>		<b>92.2</b>	<b>81.5</b>	<b>70.6</b>
Green loans, social loans, and sustainability loans	HK\$B	33.8	-	-
SLLs		44.2	-	-
ESG bonds		14.2	-	-
Share of <b>GSF loans and ESG bond investments</b> in total corporate loans and bond investments		17.8	16.7	14.9
Share of <b>GSF loans</b> in total GSF loans and ESG bond investments	%	84.6	83.4	81.3
Share of <b>ESG bond investments</b> in total GSF loans and ESG bond investments		15.4	16.6	18.7
<b>Consumer finance (retail banking)<sup>43</sup></b>				
Sustainable loans and mortgages	HK\$B	5.8	-	-
<b>Third-party sustainable investment products</b>				
ESG integration	AUM HK\$B	0.21	-	-
Thematic		0.58	-	-

<sup>42</sup> BEA Group does not offer proprietary investment products.

<sup>43</sup> For the total consumer finance value, please refer to the 2025 Annual Report.



## Responsible Operations

### Talent Attraction and Retention

#### Policies/Guidelines

- Internal Mobility Guidelines and Procedures
- Management Succession Policy
- Remuneration Policy

#### Strategic Workforce and Succession Planning

Staff development and a robust talent pipeline are essential for us to achieve our organisational goals. Through ongoing strategic workforce planning and close monitoring of attrition, we identify the Group's current and potential workforce skill gaps and opportunities to both strengthen our professional team and better serve our customers. With those opportunities in mind, our talent pool is constantly reviewed to match suitable candidates with our business needs and development direction. Our staff referral scheme also encourages employees to refer quality candidates to join BEA.

BEA Group's growth and legacy depend on effective succession planning. Our Nomination Committee oversees this process, guided by the Group's Management Succession Policy, which aims to minimise disruptions caused by vacant executive positions, foster stability, and enable a seamless transition of leadership.

Our Group-wide Grading Structure outlines a standardised grading framework that enables benchmarking against the wider market and peer banks, offering increased flexibility for cross-boundary internal mobility within the Group.

#### Internal Mobility

Our Internal Mobility Guidelines and Procedures outline the process for internal transfers, recruitment, exchange programmes, short-term assignments, secondments, and job shadowing. New opportunities are posted on an online job board and relevant channels, allowing promising employees to explore new roles and projects that align with their career aspirations. We also track internal hiring, with statistics factored into each division's scorecard to encourage internal mobility.

#### Staff Benefits and Engagement

The Remuneration Committee oversees the Group's remuneration framework and governance, which is guided by the Remuneration Policy. Our competitive benefit packages encompass medical and life insurance, paid leave, retirement plans, housing loans, and preferential rates on a range of banking services.

We offer special leave options to promote work-life balance, such as monthly half-day wellbeing leave, one-week marriage leave, birthday leave, examination leave, 16-week paid maternity leave, 10-day paid paternity leave, and more. Employees may also be offered paid care leave beyond parental leave; for example, employees in the Chinese Mainland who have passed their probation period are entitled to a maximum of five working days of paid caregiver leave per year if their parents, spouse, or children are hospitalised. Non-permanent full-time staff are also eligible for certain benefits, such as maternity or paternity leave. Depending on employment category, staff may enroll eligible family members for medical benefits. These staff benefits are reviewed annually.

All staff also retain the right to request flexible working hours, work-from-home arrangements, and part-time working options to fit their circumstances, subject to the operational needs and applicable policies in our markets, such as the Policy and Procedure on Flexible Work Arrangement Requests of the Singapore Branch.

Aside from prioritising competitive employee benefits, we also value open communication and engagement with our employees to enhance their overall experience with us. Established communication channels—including the annual employee survey, quarterly Group-wide and divisional Town Halls, and the Senior Management Mailbox—empower our employees to speak up and share their ideas and experiences. We also track voluntary turnover and conduct exit interviews with departing colleagues to receive feedback, enabling us to evaluate our performance and make necessary adjustments.

We listen to our employees and respond to their feedback and ideas in ways that can improve their experiences at the BEA Group, as well as our success as a business that is enriched by talent across our markets.



## Performance

ESG Code/GRI Standards	Indicator	Unit:	2025		2024		2023	
			Number	%	Number	%	Number	%
<b>New hires<sup>44</sup></b>								
GRI 401-1	<b>Total new hires</b>	<b>Total</b>	<b>932</b>	<b>12.3</b>	<b>920</b>	<b>11.8</b>	<b>1,197</b>	<b>14.9</b>
	By gender	Male	455	14.3	463	14.2	611	18.1
		Female	477	10.8	457	10.1	586	12.6
	By age group	Under 30	303	41.2	296	36.9	416	44.8
		Aged 30–50	574	10.5	554	9.9	695	12.2
		Over 50	55	4.0	70	5.0	86	6.1
	By market	Hong Kong	768	17.5	735	16.4	909	19.8
		Chinese Mainland	101	3.8	109	4.0	173	6.0
		Other markets	63	11.7	76	14.2	115	21.1
<b>Turnover<sup>45</sup></b>								
KPI B1.2	<b>Total turnover</b>	<b>Total</b>	<b>1,133</b>	<b>14.9</b>	<b>1,167</b>	<b>15.0</b>	<b>1,412</b>	<b>17.6</b>
GRI 401-1	By gender	Male	539	17.0	586	18.0	642	19.0
		Female	594	13.5	581	12.8	770	16.6
	By age group	Under 30	212	28.8	223	27.8	296	31.9
		Aged 30–50	655	12.0	686	12.3	856	15.0
		Over 50	266	19.4	258	18.4	260	18.5
	By market	Hong Kong	857	19.5	835	18.6	985	21.5
		Chinese Mainland	214	8.1	247	9.0	318	10.9
		Other markets	62	11.5	85	15.8	109	20.0
	Voluntary employee turnover rate		-	10.4	-	9.9	-	-
<b>Internal mobility</b>								
	Internal hires <sup>46</sup>		-	12.1	-	N/A	-	N/A

<sup>44</sup> The new hires figures include only permanent full-time staff. The percentage is calculated as the total number of new permanent full-time hires during the reporting year divided by the total number of permanent full-time staff as of 31 December 2025, then multiplying the result by 100%.

<sup>45</sup> The turnover figures include only permanent full-time staff. The percentage is calculated by dividing the total number of permanent full-time employees who left during the reporting year by the total number of permanent full-time staff as of 31 December 2025, then multiplying the result by 100%.

<sup>46</sup> This includes the total number of open positions filled by internal candidates (excluding promotions) divided by the total number of vacancies in the reporting year, then multiplying the result by 100%.



## Diversity, Equity, and Inclusion

### Policies/Guidelines

- Code of Conduct
- [Human Rights Policy](#)
- Group Equal Employment Opportunity, Diversity, and Inclusion Policy
- Staff Handbook
- [SCoC](#)

### Promoting a Culture of Diversity and Equal Opportunity

Our BCWG fosters a sound Bank-wide culture by promoting BEA's core values and developing strategic initiatives in accordance with the HKMA's three pillars of governance, incentive systems, and assessment and feedback mechanisms. Chaired by the General Manager and Group Head of PSD and with oversight provided by our Executive Committee, the BCWG holds quarterly meetings to review action plans (including those related to diversity and equal opportunity), ensuring that initiatives support risk management and internal controls to effectively promote the desired culture. The BCWG also reports directly to the Board-level Remuneration Committee.

The Code of Conduct, Staff Handbook, and Human Rights Policy define our commitment to non-discrimination and equal opportunity, the right to collective bargaining, and the prohibition of child and forced labour. Aligned with the UN Guiding Principles on Business and Human Rights, the Group's Human Rights Policy applies globally across our operations and business activities. Human rights monitoring and reporting are incorporated into the Bank Culture Dashboard, with any substantiated human rights cases, including those identified through the Group's whistleblowing channel, reported to our Senior Management on a quarterly basis.

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

Hong Kong incorporate the principles of the Policy into their human resources policies in accordance with local rules and regulations, where applicable and as appropriate.

### Equal Opportunity Employer

In accordance with the Group Equal Employment Opportunity, Diversity, and Inclusion Policy, we provide equal opportunities at all levels for staff members, regardless of age, gender, sexual orientation, physical appearance, language, religion, or political beliefs. Staff members are also expected to demonstrate appreciation, care, and respect for each other and our customers. To signify our commitment to diversity, inclusivity, and fairness (including gender pay equality) within the organisation and across the supply chain, we are 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 Hong Kong Council of Social Services (HKCSS), and the Hong Kong Joint Council for People with Disabilities.

### Merit-based Remuneration and Monitoring the Gender Pay Gap

We adopt a consistent merit-based approach to employee remuneration, considering factors such as seniority, role and responsibilities, expertise, competencies, qualifications, working experience, and job performance. This approach underpins both our annual goal-setting and annual staff performance assessment exercises, and helps ensure our remuneration is in line with the Hong Kong Equal Opportunities Commission guidelines on equal pay for men and women under the Sex Discrimination Ordinance. Additionally, we conduct a Group-wide gender pay gap and compensation review annually.

### Promoting Anti-Discrimination Awareness

To reinforce anti-discrimination awareness, we refresh the knowledge of our staff via content incorporated into our new joiner online learning programme and annual refresher courses. Content focuses on the anti-discrimination aspects of our Code of Conduct, the TCF Charter, and many of the Group's other commitments and compliance obligations. BEA China also

provided employees with clear guidance on how to file complaints in cases of unfair treatment, sexual harassment, workplace disputes, and other issues as part of the annual refresher course. In the US, sexual harassment prevention and anti-discrimination training were provided for all staff. Similarly, all staff in the UK also completed an "Equity, Diversity and Inclusion" e-learning module, while all retail banking frontline staff completed a "Caring for Vulnerable Customers" e-learning module.

### Advancing Diversity and Inclusion

#### Upholding Labour Rights

We strive to cultivate an inclusive workplace environment for our staff. At our Taiwan Branch, we have established a diverse network to uphold the fundamental labour rights of our team members and ensure that their employment rights are respected. We conduct labour-management meetings to facilitate open communication, address significant labour-management issues, and implement actions arising from consensus decisions reached.

#### Supporting Gender and Marriage Equality

In support of Taiwan's Marriage Equality Act, employees in same-sex marriages can apply for related benefits and marriage allowances, which we provide with equal support and blessing. In line with evolving social equality legislation, our Taiwan Branch actively supports national gender equality policies, promoting inclusivity and advancement.

#### Establishing a Breastfeeding-friendly Workplace

We strive to provide reasonable accommodation for all employees in our offices, including nursing mothers. In our two core buildings in Hong Kong, we provide lactation rooms on several floors. Rooms are also available in BEA Tower in Qianhai, BEA Finance Tower in Shanghai, our Beijing Branch office, and our Singapore Branch office.

In the US, breastfeeding employees are provided with private spaces near their work area that are shielded from view and free from intrusion from co-workers and the public.



### Promoting a Diverse and Inclusive Supply Chain

BEA's SCoC helps maintain social and ethical standards throughout our supply chain. Aligned with international frameworks like the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and ILO conventions, the SCoC requires suppliers to uphold the same social and ethical standards of fairness, diversity, and equal opportunity as the Group. It emphasises safe and hygienic working conditions, free from discrimination, harassment, or exploitative practices.

It also encourages suppliers to create inclusive practices, support diverse groups, and promote access to their services for individuals with disabilities or other impairments. Additionally, it strictly prohibits child or forced labour, or any other form of modern slavery. By collaborating with our suppliers, we aim to contribute to a more equitable and supportive business environment for all stakeholders.

### Human Rights in Our Portfolios

By operating with integrity in our lending policies, we strive to support the financial system in making positive impacts on the community. Prior to extending financing, we conduct due diligence by applying our ESG assessment criteria to assess risks, including those related to potential forced or child labour, human trafficking, and discriminatory practices, as well as potential impacts on cultural heritage and indigenous peoples. In the event that the Group determines the potential for human rights risk in a client's operations and supply chain, BEA requires proper justifications that such impacts are avoided and/or mitigated.

### Performance

#### Workforce

ESG Code/GRI Standards	Indicator	Unit	2025	2024	2023
<b>Employee information</b>					
KPI B1.1	<b>Total number</b>		<b>7,669</b>	<b>7,880</b>	<b>8,140</b>
GRI 2-7	Gender	Male	3,217	3,301	3,432
GRI 405		Female	4,452	4,579	4,708
	Age	Under 30	756	819	954
		Aged 30–50	5,494	5,591	5,713
		Over 50	1,419	1,470	1,473
		Nationality (Top 4 nationalities)	Chinese	90.2	90.0
		British	2.2	2.7	3.2
		Singaporean	2.4	2.4	2.5
		American	1.0	0.9	0.8
	Permanent contract	Male	3,175	3,264	3,387
		Female	4,408	4,539	4,668
	Fixed term/ Temporary contract	Male	42	37	45
		Female	44	40	40
	Full time	Male	3,216	3,299	3,429
		Female	4,450	4,565	4,690
	Part time	Male	1	2	3
		Female	2	14	18
	Hong Kong	Permanent contract	4,395	4,501	4,602
		Fixed term/Temporary contract	72	63	70
		Full time	4,466	4,549	4,653
		Part time	1	15	19
	Chinese Mainland	Permanent contract	2,649	2,764	2,905
		Fixed term/Temporary contract	2	2	1
		Full time	2,651	2,766	2,906
		Part time	0	0	0
	Other markets	Permanent contract	424	538	548
		Fixed term/Temporary contract	12	12	14
		Full time	434	549	560
		Part time	2	1	2



ESG Code/GRI Standards	Indicator	2025		2024		2023		
<b>Share of women in specific positions<sup>47</sup></b>								
		Unit:	Number	%	Number	%	Number	%
GRI 401-1	All management positions		2,371	53	2,327	53	2,286	52
	Top management positions		8	38	7	41	8	44
	Junior management positions		2,055	54	2,090	54	2,049	54
	Revenue-generating functions		1,486	56	1,480	56	1,438	55
	STEM-related functions		234	26	235	27	249	27

ESG Code/GRI Standards	Indicator	Unit	2025		2024	
<b>Gender pay gap<sup>48</sup></b>						
			Mean	Median	Mean	Median
GRI 405-2	Total compensation pay gap	%	26.8	27.2	26.7	26.7
	Performance-related bonus gap		34.3	34.4	20.5	38.7

### Family-friendly Practices

ESG Code/GRI Standards	Indicator	Unit	2025		2024		2023	
<b>Parental leave</b>								
			Male	Female	Male	Female	Male	Female
GRI 401-3	Employees entitled to parental leave	Number	3,025	4,065	3,174	4,400	3,432	4,708
	Employees who took parental leave		60	115	106	122	84	491
	Employees who returned to work in the reporting period after parental leave		60	106	106	107	79	476
	Employees retained 12 months after returning from parental leave		83	92	68	432	48	473
	Return to work rate	%	100	96.4	100	91.5	95.2	98.8
	Retention rate		89.2	85.2	86.1	91.1	64.0	89.9

<sup>47</sup>All management positions include manager and above; 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 services 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.

<sup>48</sup>The gender pay gap, calculated as the mean or median, represents the difference in total compensation/bonus paid to male and female employees in 2025. The study on the gender pay gap covers a total of 7,608 employees working across the markets we serve.



## Training and Development

### Policies/Guidelines

- Guidelines for Peer Evaluation
- Performance Management Guidelines and Procedures
- Staff Training and Development Policy

### Professional Development

Committed to the professional development of our staff and the cultivation of a future-proof workforce, we invest in a wealth of training programmes to upskill and reskill our staff across key areas, ensuring compliance with applicable licensing regimes. These areas include leveraging technological and data advancements, navigating the evolving landscape of ESG factors, and capitalising on opportunities presented by cross-boundary business expansion. The training content covers diverse topics, ranging from product and financial knowledge, risk management—including cybersecurity, AML, and terrorist financing risks—to leadership and management skills, customer service and sales, operational expertise, and more.

In addition to relevant topic-specific training, all staff must complete mandatory training on topics such as our Code of Conduct and core values, as well as non-discriminatory practices.

We strive to align our training with relevant industry standards and best practices, and leverage the Hong Kong Qualifications Framework where appropriate. Our Staff Training and Development Policy, among other things, addresses the requirements stated in the latest version of the HKMA's SPM module CG-6 "Competence and Ethical Behaviour". Since 2022, staff participation in key training programmes has become one of the Group's KPIs, reflecting our commitment to continuous learning.

We leverage subject matter experts within the Group to help design and deliver new training programmes, and invite industry experts to share their knowledge and experience with our trainers. Our Senior Management provides input and guidance for key learning and talent development initiatives. Externally, we collaborate with industry players and peers, professional bodies,

educational institutions, and consultants to develop high-quality programmes and innovative training solutions.

We also support employees in their professional development beyond BEA. Full-time staff members may be nominated and sponsored by the Bank Group to attend external training courses, pursue higher academic qualifications, or obtain professional qualifications relevant to their job roles. This includes encouraging and sponsoring GMTs to attain the Certified Banker qualification and offering subsidies for relevant practitioners (RPs) pursuing ECF certification. We also provide ongoing training to fulfil Continuing Professional Development requirements for licensed staff and certified RPs, covering topics such as ESG, GSF, fintech, cybersecurity, and more.

To keep training relevant, we actively engage internal and external stakeholders to assess needs considering the changing market landscape. We value employee feedback gathered through course-end evaluations, which are shared with trainers, supervisors, and the Training & Development department head, and then carefully reviewed to enhance the training experience. An annual training needs survey is distributed to all departments, with in-depth discussions conducted with relevant parties to tailor training to specific requirements and ensure the courses we offer will contribute to the professional growth of our people.

### Building ESG Competency across Our Workforce

Since 2024, we have continued to roll out our mandatory ESG training programme for all staff across the Group, including frontline staff such as relationship managers, staff from supporting functions, Senior Management, and Board-level ESG Committee members. The programme includes three modules on sustainability, climate-related risk management, and transitioning to net zero; covering key topics relevant to our businesses:

- **ESG Essentials**  
Focuses on building understanding of the core concepts and importance of sustainability and ESG principles. This training specifically addresses ESG considerations relevant to the Group and to companies in other sectors, equipping staff with essential knowledge of the impacts, risks, and opportunities related to ESG.

- **Climate Risk Management**

Aims to educate staff on the critical role of the banking sector in mitigating climate change and managing climate-related risks. This course highlights the Group's specific approach to governance and its infrastructure for managing these risks. Participants also learn about our climate strategy, public disclosures on climate-related matters, and how these help the Group build its resilience against climate change.

- **The Climate Challenge and BEA's Net Zero Journey**

Covers the latest scientific insights into climate change, including GHG emissions, and global and jurisdictional efforts towards a low-carbon future. A primary focus is our net zero goals, timelines, and strategic pillars, equipping staff with a thorough understanding of our commitments and the practical actions they can take to support our ambitions.

### Investing in Future Young Leaders through Trainee Programmes

The Group invests in future young leaders through internal training programmes for GMTs, Wholesale Banking Trainees, and Retail Banking Associates, as well as providing Gap Year Placements for undergraduates. We also participate in programmes that provide structured training and on-the-job experience in financial services for recent graduates and students.

Our two-year Group Management Trainee Programme is designed to build a sustainable pipeline of future leaders through extensive local, cross-boundary, and global exposure. By rotating through a comprehensive range of business and support units, trainees are developed into versatile general bankers equipped to assume critical roles across front, middle, and back-office functions.

Consistent with our OneBank approach, the programme is based mainly at our Hong Kong headquarters, including a four to five-month immersion in the Chinese Mainland and a two-week overseas branch visit. These cross-boundary and cross-border exposures not only broaden career mobility across the Group, but also help to cultivate more robust connectivity and an inclusive culture across our local, Chinese Mainland and international networks.



## Performance Management

Our Performance Management Guidelines and Procedures provide a framework for aligning performance goals with the Group's strategy, cascading goals from higher levels to individuals, integrating core values into performance metrics, and balancing financial and non-financial objectives. We prioritise constructive feedback, career discussions, and timely guidance for performance improvements.

Every year, all staff members must complete a year-end performance review to evaluate their performance against goals, including those related to ESG initiatives, set at the beginning of the year, along with adherence to BEA's core values, and compliance with risk and regulatory requirements. Performance outcomes are connected to compensation plans (e.g., discretionary bonuses) for all managerial staff and above.

During performance reviews, our employees and management discuss career aspirations and establish development plans with specific training goals, as needed. Staff reporting directly to a division head also participate in an annual peer evaluation, assessing peers' adherence to BEA's core values through observable daily actions and interactions. Our Guidelines for Peer Evaluation outline the procedures for implementing the peer evaluation mechanism, while "360 feedback" enables all staff to provide feedback to multiple colleagues, including managers, at any time.

## Performance

ESG Code/GRI Standards	Indicator	Unit	2025	2024	2023		
KPI B3.1 KPI B3.2 GRI 404	Average training hours per employee	<b>Total</b>	<b>54</b>	<b>59</b>	<b>54</b>		
		Male	54	57	53		
		Female	55	60	52		
		General manager and above	47	66	71		
		Senior manager and manager	50	54	51		
		Officer, clerical, and non-clerical	60	65	59		
		Contract and part-time staff	72	55	35		
		Under 30	63	72	68		
		Aged 30–50	56	62	58		
		Over 50	44	42	32		
		Training hours by category	<b>Total training hours</b>	Number	<b>417,381</b>	<b>464,172</b>	<b>441,752</b>
			ESG		6.7	7.5	-
			Management training and development		5.6	7.2	-
Risk management, compliance/legal knowledge	31.2		32.1		-		
Tech and data	19		13.8		-		
Others	37.5		39.5		-		
Percentage of employees trained	<b>Total</b>	Number	<b>100</b>	<b>100</b>	<b>100</b>		
	Male		100	100	100		
	Female		100	100	100		
	General manager and above	%	100	100	100		
	Senior manager and manager		100	100	100		
	Officer, clerical, and non-clerical		100	100	100		
	Contract and part-time staff		100	100	100		
Total amount spent on training and development <sup>49</sup>	HK\$	10,490,849	11,549,425	12,825,894			
Percentage of employees received regular performance and career development review <sup>50</sup>	%	100	100	100			

<sup>49</sup> The total amount spent on training and development excludes staff and operating costs related to training and development.

<sup>50</sup> In 2025, 7,251 Group staff members that were in-scope received performance reviews.



## Health, Safety, and Wellbeing

### Policies/Guidelines

- [OHS Policy](#)
- [OHS Guideline](#)
- [SCoC](#)
- [Human Rights Policy](#)

### Occupational Health and Safety

Our OHS Policy applies to all staff members across the Group. General managers are responsible for the overall implementation of our health and safety policies, while Health and Safety Officers and 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. Where differences in local OHS rules and regulations apply, such as in Macau, Taiwan and overseas, our branches will also follow local requirements.

To strengthen our OHS management and governance practices, we regularly review our Group OHS Policy and OHS Guideline, with updates approved by our Senior Management. Our OHS Policy specifies expectations for adhering to our OHS principles, relevant legislation and the ISO 45001:2018 Occupational Health and Safety Management Systems standard. It also outlines how our OHS commitments apply across the Group.

Our goal is to maintain a "zero accident and injury" workplace. To achieve this, we prioritise safety and conduct regular OHS inspections. This includes identifying and closely monitoring potential safety issues to reduce the risk of accidents and eliminate unsafe working conditions, while maintaining open lines of communication with employees to address concerns promptly. When hazardous conditions are identified or accidents or injuries are reported, we perform detailed analyses and develop action plans to address the issues with appropriate remedial measures and preventive actions. Reported work injury cases are tracked in monthly Operational Risk Management System reports. Our branches in the UK also undergo an independent annual health and safety assessment, conducted by independent third-party consultants.

In 2025, we included the number of workplace incidents in each department as one of its monthly operational key risk indicators. Departments must submit details of any incident and follow-up actions needed to mitigate the residual risks. If two or more incidents occur in one month, they will be escalated to the Operational Risk Management Committee for review of related findings and mitigation measures.

At our Taiwan Branch, we have implemented Safety and Health Work Rules in accordance with the Taiwan Occupational Safety and Health Act, which have been approved by the Labour Inspection Office of the Taipei City Government. These guidelines cover workplace health management measures, first aid and rescue training, mitigation of physical or mental harm, and prevention of musculoskeletal disorders caused by repetitive movement. An Employee Caring and Recognition Group meets periodically to address staff members' concerns and provide suggestions.

We also incorporate OHS considerations into workplace design, creating a healthy and safe environment that reduces the risk of workplace injuries and illnesses. For instance, our BEA Tower in Qianhai has achieved Gold certification in the WELL Building Standard, an evaluation system dedicated to enhancing the quality of indoor environments and promoting the health and wellbeing of occupants. We also address ergonomics in workstation design and office furniture selection for our new renovation projects. Meanwhile, our regular workplace health and safety training reinforces a culture of safety across the Group. Topics include fire safety, first aid, and risk assessments related to display screen equipment and manual handling operations, among others.

Outside of our operations, our SCoC, Human Rights Policy, and other policies and processes embed OHS and wellbeing into our procurement and contractual requirements, obligating our suppliers to provide safe and hygienic working environments, comply with applicable laws regarding working hours and more. For more information about how we drive social responsibility in our supply chain, please see the [Responsible Supply Chain Management](#) section.

### Employee Wellbeing

With an eye towards continuously improving wellbeing and the employee experience, we conduct an annual Employee Survey that tracks metrics related to workplace wellbeing, such as job satisfaction, motivation, work-life balance, happiness and stress, and we strive to incorporate feedback into our approach to human capital management. We also carry out surveys regularly to gather employees' feedback on recreational activities, ensuring that they align with their interests and needs.

Other benefits to enhance wellbeing include early release arrangements for festivals, which cover all major festivals in Hong Kong. Our employees in Hong Kong can access healthy lunch options in staff canteens and enjoy free access to recreational facilities, such as a staff gym and rooftop garden.

An Employee Assistance Programme is also available to staff members and their family members who find themselves in need of emotional and mental support. Professional counsellors can be reached via a 24/7 telephone hotline, in-person sessions, or by email. For more information about our comprehensive benefits, please see the [Talent Attraction and Retention](#) section.

Across the Group, we strive to enrich the employee experience and create a positive work environment through team volunteering and charitable activities aligned with our core values and employee value proposition. For more information about these efforts, please see the [Community Investment](#) section.

Performance<sup>51</sup>

ESG Code/GRI Standards	Indicator		2025		2024		2023	
<b>Workplace injuries and fatalities</b>								
		Unit:	Number	%	Number	%	Number	%
KPI B2.1	Fatalities as a result of work-related injury	<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
GRI 403-9	High-consequence work-related injuries (> 6 months for recovery)	<b>Total</b>	<b>7</b>	<b>0.09</b>	<b>1</b>	<b>0.01</b>	<b>0</b>	<b>0.00</b>
		Hong Kong	6	0.14	0	0.00	0	0.00
		Chinese Mainland	1	0.04	1	0.04	0	0.00
		Other markets	0	0.00	0	0.00	0	0.00
	Recordable work-related injuries (≤6 months for recovery) <sup>52</sup>	<b>Total</b>	<b>5</b>	<b>0.07</b>	<b>9</b>	<b>0.11</b>	<b>12</b>	<b>0.15</b>
		Hong Kong	3	0.07	8	0.18	5	0.11
		Chinese Mainland	2	0.08	1	0.04	7	0.24
		Other markets	0	0.00	0	0.00	0	0.00
KPI B2.2	Lost days due to work-related injury	<b>Total</b>	<b>318</b>	<b>-</b>	<b>312</b>	<b>-</b>	<b>638</b>	<b>-</b>
		Hong Kong	145	-	88	-	527	-
		Chinese Mainland	173	-	224	-	111	-
		Other markets	0	-	0	-	0	-
<b>Absenteeism</b>								
		Unit:	%		%		%	
	Absentee rate <sup>53</sup>	<b>Total</b>	<b>1.7</b>		<b>1.8</b>		<b>2.0</b>	
		Hong Kong	1.8		1.9		2.3	
		Chinese Mainland	1.5		1.6		1.7	
		Other markets	2		2.1		2.1	

<sup>51</sup> All occupational health and safety-related data cover only employees of the BEA Group.

<sup>52</sup> Only include incidents that must be reported to government agencies, such as the Labour Department in Hong Kong.

<sup>53</sup> Absentee rate is calculated based on the total number of days lost due to absenteeism of any kind, not only as a result of work-related injury or disease, divided by the total number of workdays scheduled.



## Technology Innovation

### Policies/Guidelines

- [Ethical Use of Data & A.I. Principles](#)
- Guideline for Data and A.I. Governance
- Guideline on Technology Risk Management on A.I.
- Generic User Guide for A.I. Usage

### Digitalisation at BEA Group

As the Group continues to progress on our digitalisation journey, we will leverage our strong technical foundation to maximise the business value of built items, continue investing in fit-for-purpose fintech solutions, and evergreen legacy systems in parallel. We aim to drive business revenue and increase productivity while staying compliant and secure. We have set the following targets to achieve by 2027:

- adopt A.I. in production to create value by optimising processes;
- transition to a modernised and balanced tech stack with reinforced cybersecurity frameworks;
- fully digitalise banking services;
- equip staff with tech and A.I. skills, and accelerate fintech adoption through active staff engagement; and
- enable the diversification of our product portfolio and be ready to develop our digital asset offerings.

### Fintech Innovation

We have long been dedicated to driving innovation in financial services, and change is accelerating. The year 2025 marked the third anniversary of **BEAST**. More than a physical co-working space, **BEAST** is a platform to facilitate synergies of the fintech industry that demonstrates the Bank Group's steadfast commitment to driving fintech development, enabling us to connect with innovators, tech leaders, and industry partners.

### Performance

Indicator	Unit	2025	2024	2023
Employees trained on A.I.	%	18	-	-
Number of start-ups, tech companies, and community partners collaborated with via <b>BEAST</b>	Number	113	75	-

Since 2023, **BEAST** has expanded its reach to Qianhai, which enables the Bank Group to connect with the wealth of talent and expertise in Shenzhen's thriving fintech community. **BEAST** Qianhai benefits BEA Group and our customers with co-created solutions while also facilitating broader regional collaboration.

To take our commitment further, in 2025 we introduced **BEAST** Connect—a structured channel for tech companies and community partners to share fintech solution information and explore opportunities with BEA.



## Operational Emissions Reduction

### Policies/Guidelines

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

### Net Zero Operational Emissions

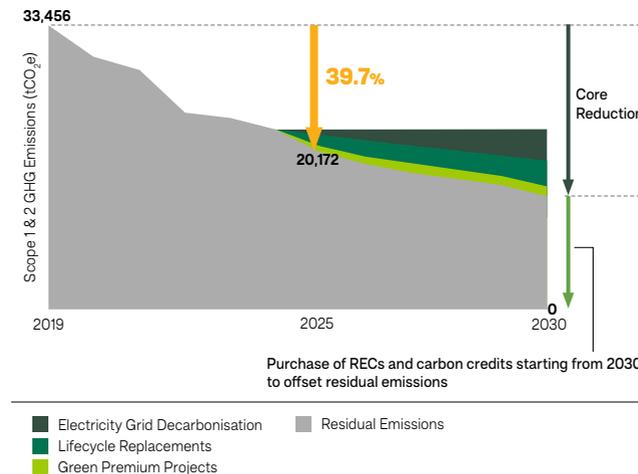
We actively explore opportunities to reduce Scope 1 and Scope 2 emissions across the Group to fulfil our 2030 net zero operational emissions target and support local and national long-term commitments to achieving net zero. A Group-wide decarbonisation strategy provides a framework and clear directions for attaining our goals, and yearly targets are established for different business units, encouraging them to actively participate in our net zero journey. Strategic pillars guide the planning and implementation of these initiatives. Progress, including operational carbon reduction figures and proposed emissions reduction initiatives, is regularly reviewed by the ESG Steering Committee and approved by the Board ESG Committee.

We maintain a Group-wide Sustainable Building Policy, along with guidelines and deployment plans, to mitigate environmental impacts across our premises focusing on six key areas: carbon reduction, energy efficiency, water conservation, waste management, green transportation, and green building certifications. These priorities echo the HKSAR Government's Climate Action Plan 2050 and the Chinese Mainland's dual carbon targets. The Policy outlines our commitments to these topics and strategies to achieve net zero operational emissions through the effective implementation of best practices in leasing, design, construction, renovation, and operation of our controlled premises.

### Our Scope 1 and 2 Net Zero Roadmap

<b>Pillar 1: Low-energy Building and Energy Transition</b>	Establish Sustainable Building Policy along with guidelines and Net Zero Operations Execution Plan to identify and implement the prioritised measures
<b>Pillar 2: Institutional Change</b>	Provide the right incentives, support, technology, and tools to enable and drive carbon reduction behaviours across the organisation
<b>Pillar 3: Carbon Neutralisation</b>	Establish and implement BEA's Carbon Offsetting Policy and Guidelines to guide strategies, efforts, and investment in carbon offsets during the transition

### Progress against 2030 Net Zero Operational Emissions



### Net Zero Operations Execution Plan

To achieve our 2030 net zero operational target, which aligns with the HKMA's Sustainable Finance Action Agenda, we must significantly reduce our operational emissions footprint over the next few years. To guide these efforts, we have developed a Net Zero Operations Execution Plan based on energy audit findings from our top 20 energy-intensive premises. This strategic plan, which has been approved by the ESG Committee, outlines our decarbonisation approach and investment principles. In accordance with best practices, the Group will prioritise reducing energy consumption to the greatest extent possible through lifecycle replacement projects and energy saving initiatives before considering the procurement of RECs to achieve net zero.

### Emissions Monitoring and Reporting

We utilise a cloud-based environmental data platform to regularly track our emissions performance, with quarterly updates to the ESG Work Group and ESG Steering Committee. To ensure transparency and keep stakeholders informed of our emissions management, we annually analyse and disclose emissions data in our ESG Report. This information is also shared with ratings agencies such as CDP.

### Vehicle Electrification

The Group supports the use of EVs within our own fleet and among our workforce. In the Chinese Mainland, the Group's vehicle fleet decreased to 88 vehicles by the end of 2025, with new energy vehicles now accounting for 24% of the total fleet. This shift from traditional vehicles to EVs has resulted in a 7.5% reduction in emissions compared to 2024. To encourage the use of EVs among employees and visitors, we have initiated the installation of EV chargers across markets. Currently, our Head Office and BEA Tower in Hong Kong, BEA China's headquarters in Shanghai, and 11 branches in the Chinese Mainland have already completed the installation of these chargers at their office buildings. Our London Branch is also exploring the installation of charging stations for EVs.



## Performance

ESG Code/GRI Standards/ HKFRS S2	Indicator	Unit	Source of Emissions Factor	2025	2024	2023
<b>Carbon emissions (Scope 1 and 2)<sup>54</sup></b>						
ESG Code Part D Paragraph: 28(a) 28(b) 29(c)	<b>GHG emissions in Hong Kong</b> Scope 1 emissions		GHG emissions from stationary combustion sources (town gas) and mobile combustion sources (unleaded petrol for road transport): • Environmental Protection Department (EPD) and the EMSD – "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)"	1,689	944	1,932
GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4		tonnes CO <sub>2</sub> equivalent (CO <sub>2</sub> e)				
HKFRS S2 Paragraph: 29(a)(i)(1) 29(a)(i)(2) 29(a)(v)			GHG emissions from refrigerants containing hydrofluorocarbons (HFCs) refilled in heating, ventilation, and air conditioning (HVAC) system: • IPCC "Sixth Assessment Report" (AR6)			
	Scope 2 emissions <b>(Location-based)</b>		GHG emissions from purchased electricity: • CLP Power Hong Kong Limited – Latest Sustainability Report	9,241	10,144	10,127
	Scope 2 emissions <b>(Market-based)</b>		• The Hongkong Electric Company, Limited – Latest Sustainability Report			
		tonnes CO <sub>2</sub> e	GHG emissions from purchased gas: • The Hong Kong and China Gas Company Limited – Latest Sustainability Report	9,241	10,144	10,127
	Scope 1 and 2 emissions <b>(Location-based)</b>		-	10,930	11,088	12,059
	Scope 1 and 2 emissions <b>(Market-based)</b>		-	10,930	11,088	12,059
	Scope 1 and 2 emissions intensity per unit of gross floor area (GFA) <b>(Location-based)</b>		-	0.15	0.15	0.15
	Scope 1 and 2 emissions intensity per unit of GFA <b>(Market-based)</b>	tonnes CO <sub>2</sub> e/m <sup>2</sup>	-	0.15	0.15	0.15

<sup>54</sup> Renewable energy procurement started in 2024.



ESG Code/GRI Standards/ HKFRS S2	Indicator	Unit	Source of Emissions Factor	2025	2024	2023
<b>Carbon emissions (Scope 1 and 2)</b>						
<b>GHG emissions in the Chinese Mainland</b>						
	Scope 1 emissions	tonnes CO <sub>2</sub> e	GHG emissions from stationary combustion sources (diesel) and mobile combustion sources (unleaded petrol for road transport): • EPD and EMSD – "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)"	648	717	1,022
			GHG emissions from refrigerants containing HFCs refilled in HVAC system: • IPCC AR6			
	Scope 2 emissions <b>(Location-based)</b>		GHG emissions from purchased electricity: • Ministry of Ecology and Environment (MEE) of the People's Republic of China – "Latest Announcement on the Release of Electricity Carbon Emission Factors"	7,270	7,812	8,046
	Scope 2 emissions <b>(Market-based)</b>	tonnes CO <sub>2</sub> e		8,264	8,483	-
	Scope 1 and 2 emissions <b>(Location-based)</b>		-	7,918	8,529	9,608
	Scope 1 and 2 emissions <b>(Market-based)</b>		-	8,912	9,200	-
	Scope 1 and 2 emissions intensity per unit of gross floor area (GFA) <b>(Location-based)</b>	tonnes CO <sub>2</sub> e/m <sup>2</sup>	-	0.08	0.08	0.09
	Scope 1 and 2 emissions intensity per unit of GFA <b>(Market-based)</b>		-	0.09	0.09	-
<b>GHG emissions in the other markets</b>						
	Scope 1 emissions	tonnes CO <sub>2</sub> e	GHG emissions from stationary combustion sources (diesel) and mobile combustion sources (unleaded petrol for road transport): • Department for Environment, Food and Rural Affairs (DEFRA) in the UK – Latest Edition of "Greenhouse Gas Reporting: Conversion Factors"	206	592	335
			GHG emissions from refrigerants containing HFCs refilled in HVAC system: • IPCC AR6			



ESG Code/GRI Standards/HKFRS S2	Indicator	Unit	Source of Emissions Factor	2025	2024	2023
<b>Carbon emissions (Scope 1 and 2)</b>						
<b>GHG emissions in the other markets</b>						
	Scope 2 emissions (Location-based)		GHG emissions from purchased electricity: <ul style="list-style-type: none"> <li>Energy Administration, Ministry of Economic Affairs (MOEAEA) of Taiwan – Latest Electricity Carbon Emission Factor</li> <li>Malaysia Energy Information Hub (MEIH) – Latest Grid Emission Factor</li> <li>Energy Market Authority (EMA) of Singapore – Latest Grid Emission Factor</li> <li>Environmental Protection Agency (EPA) of the US – Latest Edition of the "Emissions &amp; Generation Resource Integrated Database" (eGRID)</li> <li>The International Energy Agency (IEA) – Latest Edition of "IEA Emissions Factors"</li> </ul>	1,117	1,095	1,133
	Scope 2 emissions (Market-based)	tonnes CO <sub>2</sub> e	GHG emissions from purchased electricity: <ul style="list-style-type: none"> <li>Companhia de Electricidade de Macau – Latest Sustainability Report</li> <li>MOEAEA of Taiwan – Latest Electricity Carbon Emission Factor</li> <li>MEIH – Latest Grid Emission Factor in Malaysia</li> <li>EMA of Singapore – Latest Grid Emission Factor</li> <li>E.ON Next – Latest Fuel Mix Disclosure</li> <li>SSE Energy Solutions – Latest Fuel Mix Disclosure</li> <li>Center for Resource Solutions – Latest Edition of "Green-e® Residual Mix Emissions Rates"</li> <li>IEA – Latest Edition of "IEA Emissions Factors"</li> </ul>	1,099	1,099	-
	Scope 1 and 2 emissions (Location-based)	-		1,324	1,688	1,467
	Scope 1 and 2 emissions (Market-based)	-		1,305	1,691	-
	Scope 1 and 2 emissions intensity per unit of gross floor area (GFA) (Location-based)	tonnes CO <sub>2</sub> e/m <sup>2</sup>		0.10	0.11	0.09
	Scope 1 and 2 emissions intensity per unit of GFA (Market-based)	-		0.10	0.11	-
<b>GHG emissions of BEA Group</b>						
	Scope 1 emissions		Refer to the above	2,544	2,254	3,289
	Scope 2 emissions (Location-based)		Refer to the above	17,628	19,051	19,306
	Scope 2 emissions (Market-based)	tonnes CO <sub>2</sub> e	Refer to the above	18,604	19,726	-
	Scope 1 and 2 emissions (Location-based)	-		20,172	21,305	22,595
	Scope 1 and 2 emissions (Market-based)	-		21,148	21,980	-
	Scope 1 and 2 emissions intensity per unit of gross floor area (GFA) (Location-based)	tonnes CO <sub>2</sub> e/m <sup>2</sup>		0.11	0.11	0.11
	Scope 1 and 2 emissions intensity per unit of GFA (Market-based)	-		0.11	0.11	-

#### Our Approach for Scope 1 and 2 Emissions

Standard used	The GHG Protocol
Consolidation approach	Operational control due to the access to operational data
Operational boundary	174 offices, branches, warehouses, and ATMs in Hong Kong, Chinese Mainland, Macau, Taiwan, Singapore, Malaysia, the UK, and the US



## Sustainable Resource Use

### Policies/Guidelines

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

### Environmental Management

Our Environmental Policy, applicable across all our operations, guides continuous improvement in our environmental management practices. Covering water, energy consumption, paper use, recycling, and waste reduction, it has been developed with reference to the United Nations Environment Programme Statement of Commitment by Financial Institutions on Sustainable Development.

Our Board of Directors is responsible for reviewing and approving the Policy annually. Regular updates ensure that the Group complies with all relevant laws and regulations, including environmental protection legislation, in all locations where we operate. Furthermore, we regularly assess our energy, water, and paper consumption, as well as waste generation, and make necessary investments to manage our environmental footprint.

### Energy Consumption

Energy efficiency and the reduction of consumption remain key priorities for the Group. We continue to support the Charter on External Lighting in Hong Kong by switching off external lighting at selected branches before 11 p.m. Our main offices in Hong Kong are also subject to periodic energy audits to evaluate efficiency.

In the Chinese Mainland, a lunchtime lights-off policy has also been enforced, and the BEA Finance Tower automatically switches off its lights in the evening.

We implement a range of practices in line with our Sustainable Building Guideline for renovation projects whenever applicable. For example, we adopted automatic lighting control systems by installing either occupancy sensors or automatic ON/OFF processes in our Building Management Systems.

### Water Consumption

In line with our Sustainable Building Guideline, we prioritise the use of water taps, shower heads, and other fixtures with the Grade 1 Water Efficiency Label under the Voluntary Water Efficiency Labelling Scheme. In Hong Kong, we have also joined the HKSAR Government's Quality Water Supply Scheme for Buildings and have received Gold certificates in the Fresh Water (Management System) categories for our main office buildings.

### Paper Consumption

We encourage environmentally responsible behaviour in daily operations. Our digital transformation is driving reductions in unnecessary paper consumption throughout our business. E-account opening and processing platforms facilitate paperless transactions, enabling customers to complete account opening and processing, and to place investment orders, entirely online. We have also introduced an eSignature solution specifically for corporate banking. This digital alternative to traditional wet signatures leverages digital authentication and verification for electronic signing, eliminating the need for physical signatures and manual delivery.

Furthermore, we encourage all staff members to shift from printed business cards to the new digital format. When printed materials are used, we purchase paper from recognised, certified sources for name cards, letterhead and certain envelopes and forms.

### Waste Generation

We are taking steps to reduce consumption, and corresponding waste, in our offices with a focus on plastic. The Group has discontinued the provision of single-use plastic items in all staff canteens and banquet rooms in Hong Kong, adhering to the regulation that prohibits the sale and free distribution of regulated disposable plastic products. Similarly, our Singapore Branch has stopped procuring single-use plastic wares.

We are also mindful of the waste associated with our investment properties. We waive the requirement to reinstate premises to bare-shell condition for selected tenants of our investment properties before surrendering the premises to us to reduce waste. This enables the properties to be leased out to new

tenants with original fittings and fixtures intact, avoiding a significant amount of construction waste from demolition and renovation.

Our waste management efforts also include minimising food waste and promoting recycling. Food waste generated from meal preparation and consumption at our canteen at BEA Tower in Hong Kong is delivered to O·Park, while food waste from meal preparation at our Head Office is delivered to decomposers. Coffee grounds produced in the canteen are also open for colleagues to reuse.

### Sustainable Buildings

We are committed to reducing the environmental impact of our business wherever possible. Our Sustainable Building Policy outlines our approach to embedding sustainability into the design, construction, renovation, operation, and leasing of our premises. Meanwhile, our Sustainable Building Guideline outlines specific requirements to put this policy into action.

Our premises have been awarded the following green building certifications:

<b>BEA Tower,</b> Kwun Tong, Hong Kong	<ul style="list-style-type: none"> <li>• HK-BEAM for New Office Designs (Version 1/96R): Excellent</li> </ul>
<b>33 Des Voeux Road Central,</b> Central, Hong Kong	<ul style="list-style-type: none"> <li>• HK-BEAM for New Buildings (Version 4/04): Gold Standard</li> </ul>
<b>BEA Finance Tower,</b> BEA China Headquarters/ Shanghai Branch	<ul style="list-style-type: none"> <li>• LEED Gold</li> </ul>
<b>BEA Tower,</b> BEA China Beijing Branch	<ul style="list-style-type: none"> <li>• LEED Gold</li> </ul>
<b>The Bank of East Asia Building,</b> BEA China Shanghai Puxi Sub-Branch	<ul style="list-style-type: none"> <li>• LEED Gold</li> </ul>
<b>BEA Tower,</b> Qianhai, Shenzhen	<ul style="list-style-type: none"> <li>• China Green Building Design Label certified with 3-star</li> <li>• LEED Platinum</li> <li>• WELL GOLD</li> </ul>



## Performance

ESG Code/GRI Standards	Indicator	Unit	2025	2024	2023
<b>Energy</b>					
GRI 302-1	<b>Energy consumption within the organisation</b>				
	<b>Total energy consumption</b>		<b>140,943</b>	<b>146,890</b>	<b>151,440</b>
	Total electricity consumption from non-renewable sources		127,370	133,007	136,052
	Total electricity consumption from renewable sources <sup>55</sup>		2,120	1,160	-
	Total heating purchased for consumption	gigajoules (GJ)	0.00	0.00	0.00
	Total cooling purchased for consumption		0.00	0.00	0.00
	Total fuel consumption from non-renewable sources (diesel oil, petrol, and town gas)		11,453	12,723	15,388
	Total fuel consumption from renewable sources		0.00	0.00	0.00
KPI A2.1	<b>Total direct and indirect energy consumption</b>				
	<b>Total energy consumption</b>		<b>39,151</b>	<b>40,803</b>	<b>42,067</b>
	Total electricity consumption from non-renewable sources		35,380	36,946	37,792
	Total electricity consumption from renewable sources		589 <sup>56</sup>	322	-
	Total heating purchased for consumption	mega kilowatt hours (MWh)	0.00	0.00	0.00
	Total cooling purchased for consumption		0.00	0.00	0.00
	Total fuel consumption from non-renewable sources (diesel oil, petrol, and town gas)		3,181	3,534	4,274
	Total fuel consumption from renewable sources		0.00	0.00	0.00
KPI A2.1	<b>Overall energy intensity of the Group</b>				
GRI 302-3	per square metre of GFA	GJ/m <sup>2</sup>	0.74	0.74	0.74
<b>Water</b>					
KPI A2.2	<b>Water consumption</b>				
GRI 303-5	Total consumption of municipal fresh water	m <sup>3</sup>	102,762	99,893	107,823
	<b>Water intensity</b>				
	per square metre of GFA	m <sup>3</sup> /m <sup>2</sup>	0.54	0.51	0.53
<b>Air emissions<sup>57</sup></b>					
KPI A1.1	<b>Emissions from gaseous fuel consumption</b>				
GRI 305-7	Nitrogen oxides (NOx)	kilograms (kg)	8.11	8.67	8.47
	Sulphur oxides (SOx)		0.04	0.04	0.04
	<b>Emissions from vehicles</b>				
	NOx		159	164	512
	SOx	kg	3.96	4.44	5.57
	Particulate matter		12	12	42

<sup>55</sup> Total electricity consumption from renewable sources and non-renewable sources is disclosed separately due to our gradual transition to renewable energy in our operations across different markets. Renewable energy is generated from on-site solar panels and purchased from off-site sources, such as solar, wind, and hydroelectric, provided from utility companies.

<sup>56</sup> In 2025, our Manchester Branch and London office in the UK began running on 100% electricity from renewable energy, sourced from a local utility.

<sup>57</sup> Air emissions are calculated according to the Stock Exchange's "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs".



ESG Code/GRI Standards	Indicator	Unit	2025	2024	2023
<b>Waste</b>					
KPI A1.3	<b>All waste</b>		<b>713</b>	<b>642</b>	<b>577</b>
KPI A1.4	<b>Non-hazardous waste</b>		712	640	577
GRI 306-3	Paper waste <sup>58</sup>		404	331	350
GRI 306-4	Food waste		47	37	20
GRI 306-5	Other general non-hazardous waste		261	272	207
	<b>Hazardous waste</b>		0.98	1.75	0.19
	IT products and others <sup>59</sup>		0.13	1.75	0.19
	Waste lead-acid batteries		0.85	-	-
	<b>Waste diverted from landfill</b>		<b>398</b>	<b>329</b>	<b>319</b>
	<b>Non-hazardous waste</b>		398	327	319
	Paper recycled	tonnes	385	312	312
	Food waste recycled <sup>60</sup>		8	-	-
	Other recycled <sup>61</sup>		5	15	7
	<b>Hazardous waste</b>		0.98	1.75	0.19
	IT products and others recycled		0.13	1.75	0.19
	Waste lead-acid batteries <sup>62</sup>		0.85	-	-
	<b>Waste directed to disposal</b>		<b>315</b>	<b>314</b>	<b>249</b>
	<b>Non-hazardous waste</b>		315	314	249
	Landfill		246	244	173
	Incineration		69	70	76
	<b>Hazardous waste<sup>63</sup></b>		-	-	-
	Paper waste intensity	kg/full-time employee	53	42	43

<sup>58</sup> Paper waste data includes copy paper and a small amount of cardboard.

<sup>59</sup> IT products and others refer to the e-waste and other types of hazardous waste include small amounts of fluorescent lamps.

<sup>60</sup> Food waste recycled was included in "other recycled" in previous years. Starting in 2025, we report separate figures for food waste recycled.

<sup>61</sup> Other recycled includes metal, plastic, glass, and other non-hazardous items.

<sup>62</sup> Starting in 2025, we began recycling waste lead-acid batteries.

<sup>63</sup> Hazardous waste is not material to the operations of BEA as a commercial bank.



## Responsible Supply Chain Management

### Policies/Guidelines

- CPPP
- [Environmental Policy](#)
- [Human Rights Policy](#)
- [Slavery and Human Trafficking Statement](#)
- SCoC
- [Sustainable Procurement Policy](#)

BEA has centralised procurement services for the acquisition of core goods and services, providing oversight of the management of ESG matters within its supply chains. This centralised approach enables supply chain monitoring to be seamlessly integrated into our daily operations, including tracking when suppliers acknowledge the Group's SCoC, and assessing suppliers' ESG risks. It also helps us efficiently develop new and update existing supply chain-related policies, provide our suppliers with guidance on supply chain risk management, and assess their performance and compliance against our standards and policies.

All procurement activities in Hong Kong are guided by our CPPP, while other members of the Group develop their own guidelines with reference to the principles of the CPPP and in accordance with local business practices and regulatory requirements. Among other things, the CPPP sets out a clear sustainable procurement workflow to manage ESG risks in our supply chain, which incorporates various policies with the following objectives:

### 1. Defining Sustainable Procurement

The Group's Sustainable Procurement Policy reflects our commitment to integrating sustainability into procurement, planning, operations, and supply chain management. Internal guidelines further define responsible procurement practices. Teams can refer to these documents when setting specifications for sustainable products and services, selecting suppliers based on ESG factors, purchasing locally, and promoting open competition and fair dealing.

### 2. Setting ESG Requirements for Suppliers

All our suppliers must adhere to our SCoC that sets expectations for compliance with all relevant legislation, social and ethical standards of conduct, environmental responsibility practices, and for suppliers to positively impact local communities. This helps ensure that procurement and tendering processes are conducted with due diligence, integrity, and impartiality. Only under exceptional circumstances would we do business with suppliers that refuse to confirm compliance with the SCoC. Other branches have further localised and implemented the policies and guidelines to evaluate and monitor supplier performance.

### 3. Prioritising Human Rights

Suppliers, contractors, and partners are expected to meet standards outlined in our Human Rights Policy, covering areas such as labour practices, health and safety, minimum wage, working hours, non-discrimination, harassment, and grievance mechanisms. All forms of slavery (including forced labour) and human trafficking are strictly prohibited within our supply chain. In accordance with the UK's Modern Slavery Act 2015, we publish an annual Slavery and Human Trafficking Statement.

If suppliers have not made commitments equivalent to the provisions in our SCoC and Human Rights Policy, or otherwise do not meet our requirements, we are committed to providing a fair level of support to assist them in enhancing their practices and to better align with our standards. Our aim is to foster a culture of continuous improvement and responsible behaviour across our supply chain.

Our Sustainable Procurement Toolkit equips our staff with the relevant resources, guidelines, workflow procedures, and refresher training materials to conduct adequate supply chain due diligence and aid the implementation of our responsible procurement procedures.

### Key Supplier ESG Assessment Activities Stipulated in the Policies and Guidelines

<b>1. Supplier Assessment</b>	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 Centralised Procurement Section and SUD every quarter (for purchases with a value equal to HK\$500,000 or more)
<b>2. Supplier Monitoring</b>	Continuously monitor suppliers' compliance status with the SCoC
	Monitor priority risk-level suppliers for ESG controversies throughout the contract period
	For any non-compliance identified, request suppliers to take appropriate corrective actions for any identified gaps
<b>3. End of Partnership</b>	We may not continue business relationships with non-compliant suppliers



## Performance

ESG Code/GRI Standards	Indicator	2025		2024		2023		
<b>Suppliers (≥HK\$50,000 or equivalent per year by geographical location)</b>								
		Unit:	Number	%	Number	%	Number	%
KPI B5.1	<b>Total</b>		<b>1,467</b>	-	<b>1,171</b>	-	<b>1,311</b>	-
GRI 2-6	Hong Kong		529	36.1	449	38.3	562	42.9
	Chinese Mainland		646	44	431	36.8	434	33.1
	Macau and Taiwan		50	3.4	45	3.8	37	2.8
	Rest of Asia (Singapore, Malaysia, Japan)		53	3.6	55	4.7	58	4.4
	North America		79	5.4	68	5.8	86	6.6
	Europe		106	7.2	108	9.2	119	9.1
	Other		4	0.3	15	1.3	15	1.1
<b>Supplier assessment<sup>64</sup></b>								
<b>Environmental criteria</b>		Unit:	Number	%	Number	%	Number	%
GRI 308-1	New suppliers that were screened using environmental criteria		19	23.2	39	31.7	-	-
GRI 308-2	Suppliers assessed for environmental impacts		418	-	557	-	-	-
	Suppliers identified as having significant potential negative environmental impacts		24	-	16	-	-	-
<b>Social criteria</b>		Unit:	Number	%	Number	%	Number	%
GRI 414-1	New suppliers that were screened using social criteria		19	23.2	75	72.8	-	-
GRI 414-2	Suppliers assessed for social impacts		418	-	863	-	-	-
	Suppliers identified as having significant potential negative social impacts		24	-	27	-	-	-

<sup>64</sup> Figures for 2024 are restated to reflect changes in raw data.



## Responsible Citizen

### Community Investment

#### Policies/Guidelines

- Community Investment Guidelines
- [Sustainability Policy](#)

BEA Group strives to create positive and lasting impacts through community projects centred on three focus areas: education, social welfare, and the environment. Our strong community relationships enable us to maximise the complementary resources, knowledge, and skills of our partners to serve under-resourced groups and promote the wellbeing and equitable development of society. We provide support in four main ways:

#### 1. Community Partnerships and Donations

Providing registered charities and NGOs with financial and in-kind donations from Group members and our three charitable foundations:

- BEA Foundation (Hong Kong)
- Shanghai Soong Ching Ling – BEA Charity Fund (Chinese Mainland)
- Shanghai Charity Foundation – BEA Charity Fund (Chinese Mainland)

#### 2. Employee Volunteering

Launching 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

Using our sphere of influence to encourage our partners, customers, and their families to participate in our programmes and events.

#### 4. Educational Initiatives

Utilising our expertise to develop informed initiatives and educational experiences that instil good money management habits among participants.

Our Sustainability Policy and Community Investment Guidelines set out the Group's strategy and objectives with regard to social contributions. These guidelines help us identify and prioritise programmes, ensuring that the projects and local partners supported by both the Group and our charitable arm, the BEA Foundation, align with our Sustainability Policy, and effectively address community needs.

### Performance

#### Community investment

ESG Code/GRI Standards	Indicator	Unit	2025	2024	2023
<b>Volunteering hours<sup>65</sup></b>					
KPI B8.2	<b>Total</b>		<b>12,809</b>	<b>14,287</b>	<b>8,975</b>
	During non-office hours	Number	11,385	12,200	8,278
	During office hours		1,424	2,087	697
<b>Volunteers participated/engaged<sup>66</sup></b>					
KPI B8.2	<b>Total</b>	Person time	3,875	3,434	895
<b>Financial donations</b>					
KPI B8.2	<b>Total cash donations to charitable organisations</b>		<b>15</b>	<b>8</b>	<b>14</b>
GRI 201-1	Hong Kong	HK\$M	14	7	10
	Chinese Mainland		1	1	4
	Other markets		-	-	-

<sup>65</sup> Including volunteering hours contributed by staff members or their family members or friends, customers, and other stakeholders.

<sup>66</sup> For 2023, the volunteer count only includes those in Hong Kong. Starting from 2024, the total number of volunteers engaged includes individuals from all the markets where we operate.



# ESG Reporting Code Content Index

This report has been prepared in line with the ESG Code contained in Appendix C2 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. References to Part D of the ESG Code can be found in the [Climate-related Disclosures Content Index](#).

## Mandatory Disclosure Requirements

Governance Structure	Relevant Section/Remarks
<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board's oversight of ESG issues;</li> <li>(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</li> <li>(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.</li> </ul>	Appendices – Our Approach to Sustainability – Corporate Governance
Reporting Principles	
<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <ul style="list-style-type: none"> <li>• Materiality;</li> <li>• Quantitative; and</li> <li>• Consistency.</li> </ul>	Appendices – About This Report – Reporting Principles
Reporting Boundary	
<p>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.</p>	Appendices – About This Report – Report Coverage



## "Comply or Explain" Provisions

A. Environmental		Relevant Section/Remarks
<b>A1 Emissions<sup>67</sup></b>		
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Appendices – Management Approach – Sustainable Resource Use
A1.1	The types of emissions and respective emissions data.	Appendices – Management Approach – Sustainable Resource Use
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendices – Management Approach – Sustainable Resource Use  Hazardous waste is not material to the operations of BEA as a commercial bank. We 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).	Appendices – Management Approach – Sustainable Resource Use
A1.5	Description of emission target(s) set and steps taken to achieve them.	For purposes of target setting, air emissions (which include NO <sub>x</sub> , SO <sub>x</sub> , and other pollutants regulated under national laws and regulations) are not material to the operations of BEA as a commercial bank.
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.	Appendices – Management Approach – Sustainable Resource Use  Hazardous waste is not material to the operations of BEA as a commercial bank. While we do not have a waste reduction target in place, we have implemented waste reduction initiatives.
<b>A2 Use of Resources</b>		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Appendices – Management Approach – Sustainable Resource Use
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).	Appendices – Management Approach – Sustainable Resource Use
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendices – Management Approach – Sustainable Resource Use
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	While we do not have an energy use efficiency target in place, we strive to improve our energy use efficiency, which contributes to our net zero operational emissions target.
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.	BEA has not had any issues sourcing water that is fit for purpose. For purposes of target setting, 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.
<b>A3 The Environment and Natural Resources</b>		
General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Climate-related Risk and Resilience Appendices – Management Approach – Sustainable Finance
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Appendices – Management Approach – Operational Emissions Reduction Appendices – Management Approach – Sustainable Resource Use Appendices – Management Approach – Responsible Supply Chain Management Appendices – Our Material Impacts, Risks, and Opportunities

<sup>67</sup> KPI A1.2 was repealed 1 January 2025.



B. Social		Relevant Section/Remarks
<b>Employment and Labour Practices</b>		
<b>B1 Employment</b>		
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.	Appendices – Management Approach – Business Ethics Appendices – Management Approach – Talent Attraction and Retention Appendices – Management Approach – Diversity, Equity, and Inclusion
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendices – Management Approach – Diversity, Equity, and Inclusion
B1.2	Employee turnover rate by gender, age group and geographical region.	Appendices – Management Approach – Talent Attraction and Retention
<b>B2 Health and Safety</b>		
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.	Appendices – Management Approach – Business Ethics Appendices – Management Approach – Health, Safety, and Wellbeing
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendices – Management Approach – Health, Safety, and Wellbeing
B2.2	Lost days due to work injury.	Appendices – Management Approach – Health, Safety, and Wellbeing
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health, Safety, and Wellbeing Appendices – Management Approach – Health, Safety, and Wellbeing
<b>B3 Development and Training</b>		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development Appendices – Management Approach – Training and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendices – Management Approach – Training and Development
B3.2	The average training hours completed per employee by gender and employee category.	Appendices – Management Approach – Training and Development
<b>B4 Labour Standards</b>		
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.	Appendices – Management Approach – Diversity, Equity, and Inclusion Appendices – Management Approach – Responsible Supply Chain Management
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Appendices – Management Approach – Diversity, Equity, and Inclusion Appendices – Management Approach – Responsible Supply Chain Management
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 in the Appendices – Management Approach – Responsible Supply Chain Management section.



B. Social		Relevant Section/Remarks
<b>Operating Practices</b>		
<b>B5 Supply Chain Management</b>		
General disclosure	Policies on managing environmental and social risks of the supply chain.	Appendices – Management Approach – Responsible Supply Chain Management
B5.1	Number of suppliers by geographical region.	Appendices – Management Approach – Responsible Supply Chain Management
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.	Responsible Supply Chain Management Appendices – Management Approach – Responsible Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Supply Chain Management Appendices – Management Approach – Responsible Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Appendices – Management Approach – Responsible Supply Chain Management
<b>B6 Product Responsibility</b>		
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.	Appendices – Management Approach – Responsible Products and Services Appendices – Management Approach – Cybersecurity and Data Privacy
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.	Appendices – Management Approach – Responsible Products and Services
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.	Appendices – Management Approach – Cybersecurity and Data Privacy
<b>B7 Anti-corruption</b>		
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.	Appendices – Management Approach – Business Ethics
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.	Appendices – Management Approach – Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Appendices – Management Approach – Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	Appendices – Management Approach – Business Ethics
<b>Community</b>		
<b>B8 Community Investment</b>		
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.	Appendices – Management Approach – Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment Appendices – Management Approach – Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area.	Appendices – Management Approach – Community Investment



# GRI Content Index

We have reported in accordance with the GRI Standards for the period from 1 January to 31 December 2025.

GRI Standards	Disclosure Number and Title	Relevant Section/Remarks
<b>GRI 2</b>	<b>General Disclosures 2021</b>	
<b>The Organization and its Reporting Practices</b>		
2-1	Organizational details	Appendices – About BEA 2025 Annual Report BEA is listed on the Stock Exchange of Hong Kong.
2-2	Entities included in the organization's sustainability reporting	Appendices – About This Report – Report Coverage
2-3	Reporting period, frequency and contact point	Appendices – About This Report – Report Coverage Appendices – About This Report – We Welcome Your Feedback
2-4	Restatements of information	Climate-related risk and resilience Appendices – Management Approach
2-5	External assurance	Appendices – Assurance Statement
<b>Activities and Workers</b>		
2-6	Activities, value chain and other business relationships	Appendices – About BEA
2-7	Employees	Appendices – Management Approach – Diversity, Equity, and Inclusion
2-8	Workers who are not employees	Currently, we do not fully disclose the data related to non-employee workers working at the Company's premises due to data availability.
<b>Governance</b>		
2-9	Governance structure and composition	Appendices – Our Approach to Sustainability – Corporate Governance 2025 Annual Report
2-10	Nomination and selection of the highest governance body	2025 Annual Report
2-11	Chair of the highest governance body	2025 Annual Report
2-12	Role of the highest governance body in overseeing the management of impacts	Appendices – Our Approach to Sustainability – Corporate Governance
2-13	Delegation of responsibility for managing impacts	Appendices – Our Approach to Sustainability – Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Appendices – Our Approach to Sustainability – Corporate Governance Appendices – Our Approach to Sustainability – Our Material ESG Topics
2-15	Conflicts of interest	Appendices – Management Approach – Business Ethics 2025 Annual Report
2-16	Communication of critical concerns	Appendices – Management Approach – Business Ethics
2-17	Collective knowledge of the highest governance body	Appendices – Our Approach to Sustainability – Corporate Governance
2-18	Evaluation of the performance of the highest governance body	Appendices – Our Approach to Sustainability – Our Sustainability Strategy 2025 Annual Report
2-19	Remuneration policies	2025 Annual Report
2-20	Process to determine remuneration	2025 Annual Report
2-21	Annual total compensation ratio	2025 Annual Report



GRI Standards	Disclosure Number and Title	Relevant Section/Remarks
<b>Strategy, Policies and Practices</b>		
2-22	Statement on sustainable development strategy	Message from the Executive Chairman Leadership Conversation with the Co-Chief Executives Appendices – Our Approach to Sustainability – Corporate Governance Appendices – Our Approach to Sustainability – Our Sustainability Strategy
2-23	Policy commitments	Appendices – Our Approach to Sustainability Appendices – Management Approach
2-24	Embedding policy commitments	Details for specific material topics can be found under each respective Management Approach section of the Appendices.
2-25	Processes to remediate negative impacts	Appendices – Our Approach to Sustainability – Corporate Governance
2-26	Mechanisms for seeking advice and raising concerns	Appendices – Our Approach to Sustainability – Corporate Governance Appendices – Management Approach – Business Ethics Appendices – Management Approach – Talent Attraction and Retention
2-27	Compliance with laws and regulations	Appendices – Our Approach to Sustainability – Corporate Governance Appendices – Management Approach – Business Ethics Appendices – Management Approach – Cybersecurity and Data Privacy Appendices – Management Approach – Diversity, Equity, and Inclusion
2-28	Membership associations	Appendices – Charters, Memberships, Awards, and Recognition
<b>Stakeholder Engagement</b>		
2-29	Approach to stakeholder engagement	Appendices – Our Approach to Sustainability – Our Material ESG Topics Appendices – Our Approach to Sustainability – Stakeholder Engagement
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, 9.3% of our employees are covered by collective bargaining agreements.  We also maintain clear and open grievance channels for employees to raise concerns.



GRI Standards	Disclosure Number and Title	Relevant Section/Remarks
<b>Material Topics</b>		
<b>GRI 3: Materials Topics 2021</b>		
3-1	Process to determine material topics	Appendices – Our Approach to Sustainability – Our Material ESG Topics
3-2	List of material topics	Appendices – Our Material Impacts, Risks, and Opportunities
<b>GRI 201: Economic Performance 2016</b>		
3-3	Management of material topics	Climate-related Risk and Resilience Appendices – Our Approach to Sustainability Appendices – Management Approach – Sustainable Finance Appendices – Our Material Impacts, Risks, and Opportunities
201-1	Direct economic value generated and distributed	Appendices – About BEA
201-2	Financial implications and other risks and opportunities due to climate change	Climate-related Risk and Resilience
<b>GRI 203: Indirect Economic Impacts 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Financial Literacy and Inclusion Appendices – Management Approach – Community Investment Appendices – Our Material Impacts, Risks, and Opportunities
203-2	Significant indirect economic impacts	Financial Literacy and Inclusion Community Investment Appendices – Management Approach – Financial Literacy and Inclusion Appendices – Management Approach – Community Investment
<b>GRI 205: Anti-corruption 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Our Material Impacts, Risks, and Opportunities
205-2	Communication and training about anti-corruption policies and procedures	Appendices – Management Approach – Business Ethics  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 the SCoC, which includes the Group's anti-corruption requirements.
205-3	Confirmed incidents of corruption and actions taken	Appendices – Management Approach – Business Ethics
<b>GRI 207: Tax 2019</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Business Ethics Appendices – Our Material Impacts, Risks, and Opportunities
207-1	Approach to tax	Appendices – Management Approach – Business Ethics
207-2	Tax governance, control, and risk management	Appendices – Management Approach – Business Ethics
<b>GRI 302: Energy 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Operational Emissions Reduction Appendices – Management Approach – Sustainable Resource Use Appendices – Our Material Impacts, Risks, and Opportunities
302-1	Energy consumption within the organization	Appendices – Management Approach – Sustainable Resource Use
302-3	Energy intensity	Appendices – Management Approach – Sustainable Resource Use
302-4	Reduction of energy consumption	Appendices – Management Approach – Sustainable Resource Use



GRI Standards	Disclosure Number and Title	Relevant Section/Remarks
<b>GRI 303: Water and Effluents 2018</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Sustainable Resource Use Appendices – Our Material Impacts, Risks, and Opportunities
303-5	Water consumption	Appendices – Management Approach – Sustainable Resource Use
<b>GRI 305: Emissions 2016</b>		
3-3	Management of material topics	Climate-related Risk and Resilience Appendices – Our Approach to Sustainability Appendices – Management Approach – Sustainable Finance Appendices – Management Approach – Operational Emissions Reduction Appendices – Our Material Impacts, Risks, and Opportunities
305-1	Direct (Scope 1) GHG emissions	Appendices – Management Approach – Operational Emissions Reduction
305-2	Energy indirect (Scope 2) GHG emissions	Appendices – Management Approach – Operational Emissions Reduction
305-3	Other indirect (Scope 3) GHG emissions	Climate-related Risk and Resilience – Metrics and Targets
305-4	GHG emissions intensity	Appendices – Management Approach – Operational Emissions Reduction
305-5	Reduction of GHG emissions	Climate-related Risk and Resilience Sustainable Finance Operational Emissions Reduction Appendices – Management Approach – Operational Emissions Reduction
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	Appendices – Management Approach – Sustainable Resource Use
<b>GRI 305: Waste 2020</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Sustainable Resource Use Appendices – Our Material Impacts, Risks, and Opportunities
306-1	Waste generation and significant waste-related impacts	Appendices – Management Approach – Sustainable Resource Use
306-2	Management of significant waste-related impacts	Appendices – Management Approach – Sustainable Resource Use
306-3	Waste generated	Appendices – Management Approach – Sustainable Resource Use
306-4	Waste diverted from disposal	Appendices – Management Approach – Sustainable Resource Use
306-5	Waste directed to disposal	Appendices – Management Approach – Sustainable Resource Use
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Responsible Supply Chain Management Appendices – Our Material Impacts, Risks, and Opportunities
308-1	New suppliers that were screened using environmental criteria	Appendices – Management Approach – Responsible Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	Appendices – Management Approach – Responsible Supply Chain Management No significant actual negative environmental impacts have been identified in the supply chain.



GRI Standards	Disclosure Number and Title	Relevant Section/Remarks
<b>GRI 401: Employment 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Talent Attraction and Retention Appendices – Management Approach – Diversity, Equity, and Inclusion Appendices – Our Material Impacts, Risks, and Opportunities
401-1	New employee hires and employee turnover	Appendices – Management Approach – Talent Attraction and Retention
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Appendices – Management Approach – Talent Attraction and Retention
401-3	Parental leave	Appendices – Management Approach – Diversity, Equity, and Inclusion
<b>GRI 402: Labor/Management Relations 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Talent Attraction and Retention Appendices – Our Material Impacts, Risks, and Opportunities
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 and subject to local regulatory requirements, of any operational changes that could significantly affect them.
<b>GRI 403: Occupational Health and Safety 2018</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Health, Safety, and Wellbeing Appendices – Our Material Impacts, Risks, and Opportunities  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.
403-1	Occupational health and safety management system	Appendices – Management Approach – Health, Safety, and Wellbeing
403-2	Hazard identification, risk assessment, and incident investigation	Appendices – Management Approach – Health, Safety, and Wellbeing
403-3	Occupational health services	Appendices – Management Approach – Health, Safety, and Wellbeing
403-4	Worker participation, consultation, and communication on occupational health and safety	Appendices – Management Approach – Health, Safety, and Wellbeing
403-5	Worker training on occupational health and safety	Appendices – Management Approach – Health, Safety, and Wellbeing
403-6	Promotion of worker health	Appendices – Management Approach – Health, Safety, and Wellbeing
403-8	Workers covered by an occupational health and safety management system	Our OHS management system applies exclusively to employees of BEA.
403-9	Work-related injuries	Appendices – Management Approach – Health, Safety, and Wellbeing
<b>GRI 404: Training and Education 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Training and Development Appendices – Our Material Impacts, Risks, and Opportunities
404-1	Average hours of training per year per employee	Appendices – Management Approach – Training and Development
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development Appendices – Management Approach – Training and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Appendices – Management Approach – Training and Development



GRI Standards	Disclosure Number and Title	Relevant Section/Remarks
<b>GRI 405: Diversity and Inclusion 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Responsible Products and Services Appendices – Management Approach – Financial Literacy and Inclusion Appendices – Management Approach – Diversity, Equity, and Inclusion Appendices – Our Material Impacts, Risks, and Opportunities
405-1	Diversity of governance bodies and employees	Appendices – Management Approach – Diversity, Equity, and Inclusion
405-2	Ratio of basic salary and remuneration of women to men	Appendices – About BEA Appendices – Management Approach – Diversity, Equity, and Inclusion
<b>GRI 406: Non-discrimination 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Financial Literacy and Inclusion Appendices – Management Approach – Diversity, Equity, and Inclusion Appendices – Our Material Impacts, Risks, and Opportunities
406-1	Incidents of discrimination and corrective actions taken	Appendices – Management Approach – Business Ethics
<b>GRI 413: Local Communities 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Community Investment Appendices – Our Material Impacts, Risks, and Opportunities
413-1	Operations with local community engagement, impact assessments, and development programs	Community Investment Appendices – Management Approach – Community Investment 100% of our operations implemented local community engagement programmes.
<b>GRI 414: Supplier Social Assessment 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Responsible Supply Chain Management Appendices – Our Material Impacts, Risks, and Opportunities
414-1	New suppliers that were screened using social criteria	Appendices – Management Approach – Responsible Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Appendices – Management Approach – Responsible Supply Chain Management No significant actual negative social impacts have been identified in the supply chain.
<b>GRI 417: Marketing and Labeling 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Responsible Products and Services Appendices – Our Material Impacts, Risks, and Opportunities
417-3	Incidents of non-compliance concerning marketing communications	Appendices – Management Approach – Business Ethics
<b>GRI 418: Customer Privacy 2016</b>		
3-3	Management of material topics	Appendices – Our Approach to Sustainability Appendices – Management Approach – Cybersecurity and Data Privacy Appendices – Our Material Impacts, Risks, and Opportunities
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Appendices – Management Approach – Cybersecurity and Data Privacy



# Climate-related Disclosures Content Index

We remain committed to continuously enhancing its climate-related financial disclosures. This is the first year that such disclosures in this report have been prepared in accordance with Part D of the HKEX ESG Code on a "comply-or-explain" basis and with reference to HKFRS S2 Climate-related Disclosures, which apply the requirements of IFRS S2 Climate-related Disclosures to organisations in Hong Kong.

Where we have not included climate-related financial disclosures consistent with these requirements, we have provided the details of steps being undertaken to enhance our management and disclosure practices. This aligns with the "comply-or-explain" approach of both the HKEX ESG Code and the HKMA's SPM GS-1 on Climate Risk Management.

HKFRS S2 Paragraph	ESG Code Part D Paragraph Disclosure Requirements			Relevant Section/Remark
<b>(I) Governance</b>				
6		19	An issuer shall disclose information about:	Climate-related Risk and Resilience – Governance
	(a)	(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Appendices – Our Approach to Sustainability
	(ii)	(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Appendices – Management Approach – Sustainable Finance
	(iii)	(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Appendices – Management Approach – Sustainable Resource Use
	(iv)	(iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Appendices – Management Approach – Operational Emissions Reduction
	(v)	(iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35);	The ESG Committee is required to review and approve the adequacy of sustainability training, as well as the resources allocated to achieving ESG goals and other commitments. This includes training, goals, and other commitments related to climate change.
	(b)	(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
	(i)	(i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
	(ii)	(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	



HKFRS S2 Paragraph	ESG Code Part D Paragraph Disclosure Requirements	Relevant Section/Remark
<b>(II) Strategy</b>		
<b>Climate-related Risks and Opportunities</b>		
10	20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:
(a)	(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;
(b)	(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;
(c)	(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and
(d)	(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.
		Climate-related Risk and Resilience – Risk Management
		The time horizons used to define and assess the Group's climate-related risks and opportunities are aligned with those used in the Group's five-year strategic plan.
		"Short term" means less than one year from now, "medium term" means between one and five years from now, and "long term" means more than five years from now.
<b>Business Model and Value Chain</b>		
13	21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:
(a)	(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and
(b)	(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).
		Climate-related Risk and Resilience – Strategy
		Climate-related Risk and Resilience – Risk Management
		Appendices – Management Approach – Sustainable Finance
		As at the end of December 2025, our exposure to brown sectors comprised 12.2% of our total loan and bond investment assets.



HKFRS S2 Paragraph	ESG Code Part D Paragraph Disclosure Requirements				Relevant Section/Remark	
<b>(II) Strategy</b>						
<b>Strategy and Decision-making</b>						
14			22		An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	Climate-related Risk and Resilience – Strategy Climate-related Risk and Resilience – Risk Management
	(a)		(a)		information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Climate-related Risk and Resilience – Metrics and Targets Sustainable Finance Operational Emissions Reduction
		(i)		(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Sustainable Resource Use
		(ii) & (iii)		(ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Appendices – Management Approach – Sustainable Finance
		(iv)		(iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	Appendices – Management Approach – Operational Emissions Reduction Appendices – Management Approach – Sustainable Resource Use
		(v)		(iv)	how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
	(b)			(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
	(c)		23		An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	
<b>Financial Position, Financial Performance and Cash Flows</b>						
<b>Current financial effect</b>						
16			24		An issuer shall disclose qualitative and quantitative information about:	Climate-related Risk and Resilience – Strategy Climate-related Risk and Resilience – Risk Management Sustainable Finance
	(a)		(a)		how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	
	(b)		(b)		the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Appendices – Management Approach – Sustainable Finance BEA is developing the skills, capabilities and resources to fully assess, and effectively quantify, the current and anticipated financial effects of climate-related risks and opportunities, which will inform the determination of how they impact BEA's financial statements and could affect BEA's financial position in the future, and will disclose this information in future reports.
<b>Anticipated financial effect</b>						
			25		The issuer shall provide qualitative and quantitative disclosures about:	
	(c)		(a)		how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
		(i)		(i)	its investment and disposal plans; and	
		(ii)		(ii)	its planned sources of funding to implement its strategy; and	
	(d)		(b)		how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	



HKFRS S2 Paragraph	ESG Code Part D Paragraph Disclosure Requirements			Relevant Section/Remark
<b>(II) Strategy</b>				
<b>Climate Resilience</b>				
22	26		An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	Climate-related Risk and Resilience – Strategy Climate-related Risk and Resilience – Risk Management
(a)	(a)		the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
	(i)	(i)	the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
	(ii)	(ii)	the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
	(iii)	(iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
(b)	(b)		how and when the climate-related scenario analysis was carried out, including:	
	(i)	(i)	information about the inputs used, including:	
	(1)	(1)	which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
	(2)	(2)	whether the analysis included a diverse range of climate-related scenarios;	
	(3)	(3)	whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
	(4)	(4)	whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
	(5)	(5)	why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
	(6)	(6)	time horizons the issuer used in the analysis; and	
	(7)	(7)	what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
	(ii)	(ii)	the key assumptions the issuer made in the analysis; and	
	(iii)	(iii)	the reporting period in which the climate-related scenario analysis was carried out.	



HKFRS S2 Paragraph	ESG Code Part D Paragraph Disclosure Requirements						Relevant Section/Remark	
<b>(III) Risk Management</b>								
25				27			An issuer shall disclose information about:	Climate-related Risk and Resilience – Risk Management
	(a)				(a)		the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
		(i)			(i)		the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
		(ii)			(ii)		whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
		(iii)			(iii)		how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
		(iv)			(iv)		whether and how the issuer prioritises climate-related risks relative to other types of risks;	
		(v)			(v)		how the issuer monitors climate-related risks; and	
		(vi)			(vi)		whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
	(b)				(b)		the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c)				(c)		the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	



HKFRS S2 Paragraph	ESG Code Part D Paragraph Disclosure Requirements						Relevant Section/Remark	
<b>(IV) Metrics and Targets</b>								
<b>Greenhouse gas emissions</b>								
29	(a)	(i)		28			An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:	Climate-related Risk and Resilience – Metrics and Targets
			(1)	(a)			Scope 1 greenhouse gas emissions;	Appendices – Management Approach – Operational Emissions Reduction
			(2)	(b)			Scope 2 greenhouse gas emissions; and	
			(3)	(c)			Scope 3 greenhouse gas emissions;	
				29			An issuer shall:	
		(ii)		(a)			measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
		(iii)		(b)			disclose the approach it uses to measure its greenhouse gas emissions including:	
			(1)	(i)			the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
			(2)	(ii)			the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
			(3)	(iii)			any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
		(v)		(c)			for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
		(vi)		(d)			for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
<b>Climate-related transition risks</b>								
	(b)			30			An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate-related Risk and Resilience – Risk Management
<b>Climate-related physical risks</b>								
	(c)			31			An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
<b>Climate-related opportunities</b>								
	(d)			32			An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
<b>Capital deployment</b>								
	(e)			33			An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	



HKFRS S2 Paragraph	ESG Code Part D Paragraph Disclosure Requirements				Relevant Section/Remark
<b>(IV) Metrics and Targets</b>					
<b>Internal carbon prices</b>					
(f)			34	An issuer shall disclose:	BEA does not apply an internal carbon price in decision making.
	(i)		(a)	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	
	(ii)		(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
				or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
<b>Remuneration</b>					
(g)	(i)		35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a) (iv).	Climate-related Risk and Resilience – Governance 100% of executive management remuneration recognised in the current reporting period was linked to climate-related considerations.
<b>Industry-based metrics</b>					
32			36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Climate-related Risk and Resilience Appendices – Management Approach – Operational Emissions Reduction BEA is assessing the industry-based metrics associated with the disclosure topics described for the commercial banks industry in the Industry-based Guidance on Implementing HKFRS S2 and will disclose additional applicable metrics in the next reporting year.



HKFRS S2 Paragraph	ESG Code Part D Paragraph Disclosure Requirements						Relevant Section/Remark	
<b>(IV) Metrics and Targets</b>								
<b>Climate-related targets</b>								
33				37			An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	Climate-related Risk and Resilience – Metrics and Targets
	(a)			(a)			the metric used to set the target;	Appendices – Management Approach – Operational Emissions Reduction
	(b)			(b)			the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Our net zero financed emissions targets, as well as the methodology behind setting these targets, have not been third-party validated. However, we have collaborated closely with an experienced consultant specialised in emissions measurement and target setting to ensure their accuracy.
	(c)			(c)			the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Our net zero operational emissions target, along with the methodology we used to set this target, has been validated by an independent report verifier, SGS.
	(d)			(d)			the period over which the target applies;	
	(e)			(e)			the base period from which progress is measured;	
	(f)			(f)			milestones or interim targets (if any);	
	(g)			(g)			if the target is quantitative, whether the target is an absolute target or an intensity target; and	
	(h)			(h)			how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Both net zero targets for operational and financed emissions include all greenhouse gases as outlined by the GHG Protocol, which cover carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF <sub>6</sub> ), and nitrogen trifluoride (NF <sub>3</sub> ).
34				38			An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	While our net zero operational emissions target is a net GHG emissions target, net zero financed emissions targets are gross GHG emissions targets.
	(a)			(a)			whether the target and the methodology for setting the target has been validated by a third party;	
	(b)			(b)			the issuer's processes for reviewing the target;	
	(c)			(c)			the metrics used to monitor progress towards reaching the target; and	
	(d)			(d)			any revisions to the target and an explanation for those revisions.	
35				39			An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	
36				40			For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a)			(a)			which greenhouse gases are covered by the target;	
	(b)			(b)			whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
	(c)			(c)			whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
	(d)			(d)			whether the target was derived using a sectoral decarbonisation approach; and	



HKFRS S2 Paragraph	ESG Code Part D Paragraph Disclosure Requirements				Relevant Section/Remark	
<b>(IV) Metrics and Targets</b>						
<b>Climate-related targets</b>						
	(e)			(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	During the reporting year, BEA did not use carbon credits to offset its emissions. We are committed to achieving operational net zero emissions by 2030.
		(i)		(i)	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	We strive to reduce emissions according to our net zero roadmap by electrification, energy efficiency projects, on-site renewable energy and off-site renewable energy procurement.
		(ii)		(ii)	which third-party scheme(s) will verify or certify the carbon credits;	
		(iii)		(iii)	the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	The remaining Scope 1 and Scope 2 emissions will be respectively addressed through carbon offsets and RECs, with reference to Science Based Targets initiative, by limiting residual offsets to a maximum of 10%, to achieve net zero emissions by 2030.
		(iv)		(iv)	any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
<b>Applicability of cross-industry metrics and industry-based metrics</b>						
			41		In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	When preparing disclosures, BEA referred to and considered the applicability of HKFRS Industry-based Guidance on Implementing Climate-related Disclosures volume 15 (Asset Management & Custody Activities) and 16 (Commercial Banks).



# Our Material Impacts, Risks, and Opportunities

The following 37 material impacts, risks, and opportunities were identified through a comprehensive double materiality assessment. For more information on how this assessment was conducted, as well as the materiality definitions that were applied, please see [Our Material ESG Topics](#).

Responsible Business					
Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location <sup>68</sup>	Time Horizon <sup>69</sup>
<b>Business ethics</b> Ensuring the highest standards of business conduct, complying with applicable laws and regulations and having a zero-tolerance stance on corruption, money laundering and financing groups linked to terrorism	Compliance with business ethics requirements and standards	The BEA Group must meet a diverse set of legal and regulatory requirements and other standards, including those of ESG rating agencies, relating to anti-bribery and corruption, anti-fraud, AML/CFT, auditing, fiduciary duties to asset management clients, and other ethical conduct across eight markets around the world. This requires the provision of holistic and comprehensive training and awareness-raising efforts as well as measures to protect whistleblowers. Violations can result in fines, litigation, and restrictions on specific business activities. Reputational damage associated with these incidents can also lead to decreased revenue, impairment of intangible assets, credit or ESG rating downgrades, or increased cost of capital.	Risk	Upstream, own operations, and downstream	Short to long term
<b>Climate-related risk and resilience</b> Identifying and integrating climate considerations into governance, strategic planning, risk management, and decision-making processes to build climate resilience and contribute to a low-carbon future	Access to new capital and business opportunities	Investors and other stakeholders, including customers, are increasingly aware of the financial risks and opportunities associated with climate change and have begun to use this knowledge when making investment decisions. The Group recognises this global paradigm shift and is taking climate-informed actions, including mitigation and adaptation, to adjust our operations, products, and services. This can enhance access to international capital markets while helping to reduce our exposure to bad debt and investment risk.	Opportunity	Own operations and downstream	Short to long term
		Moreover, effective demonstration of the Group's ability to address and manage climate-related risks, particularly when such efforts align with the efforts of climate-focused regulators in markets such as the Chinese Mainland, may open new financial channels with easier access to lower cost funds.			

<sup>68</sup> Value chain locations are defined according to the locations of significantly affected stakeholders, including: Upstream, which enables BEA to operate through the provision of capital, regulation and ratings, as well as goods and services that are critical for the Group's operations (shareholders/investors; strategic partners; government/regulators; rating agencies; suppliers); Own operations, which performs BEA's main business activities and delivers the Group's financial products and services (workforce, including employees, contractors and subcontractors; and the Board); and Downstream, which purchases and/or is impacted by BEA's products, services, activities, and business relationships (customers; portfolio companies; local communities in the markets we serve; key stakeholders (e.g., workforce, suppliers) of BEA's customers, and portfolio companies).

<sup>69</sup> Short term (<1 year), medium term (1–5 years), long term (>5 years)



Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location	Time Horizon
<b>Climate-related risk and resilience</b> Identifying and integrating climate considerations into governance, strategic planning, risk management, and decision-making processes to build climate resilience and contribute to a low-carbon future	Damage to BEA Group's assets due to climate change	Physical climate risks such as stronger storms, droughts, shifting precipitation patterns, and extreme heat may affect the BEA Group's assets, such as our own offices or assets within our portfolio around the world. Failure to understand these risks, including through climate risk stress testing and counterparty-level climate-related risk assessments, and adapt accordingly may exacerbate physical damage to such assets and cause harm to stakeholders and economies.	Negative impact	Own operations and downstream	Short to long term
	Effect of climate change on the Group's business, strategy, and operations	<p>The financial sector faces growing expectations from diverse stakeholders to proactively manage climate-related risks and opportunities and its decarbonisation strategy as awareness of climate change rises. This includes the HKMA, which has prioritised climate in its Sustainable Finance Action Agenda and its policy on transition planning.</p> <p>Failure to meet growing expectations to climate change could lead to negative impacts on business performance, operations, and the reputation of the Group, potentially affecting our profits, costs, assets, and liabilities.</p> <p>Consequently, failing to incorporate climate change considerations into BEA's risk management processes may leave significant portions of the Group's balance sheet and revenue vulnerable to escalating climate-related risks over time.</p>	Risk	Upstream and own operations	Short to long term
	Effect of climate change on the Group's premises and branches arising from acute and chronic climatic events	<p>Extreme climatic events and chronic impacts place a heavy burden on the Group's business continuity systems and must be considered in their design. Inadequate protection may result in business disruptions, impacting the Group's personnel and customers, workplace safety, critical infrastructure, and system dependencies.</p> <p>The Group's operational capacity and cost expenditure could be negatively impacted if persistent weather extremes cause significant damage to our office premises and other assets including retail branches and ATMs.</p>	Risk	Own operations	Short to long term



Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location	Time Horizon
<b>Climate-related risk and resilience</b> Identifying and integrating climate considerations into governance, strategic planning, risk management, and decision-making processes to build climate resilience and contribute to a low-carbon future	Effect of physical risks on the financial fluidity and profitability of loans and investments	<p>Extreme climatic events, such as rising sea levels and intensifying typhoons, are a physical risk that may lead to the devaluation of real estate collateral and the investment portfolio of the Group. Additionally, the worsening impacts of climate change will have a profound effect on the global economy through direct losses due to physical damage from extreme weather events.</p> <p>Acute climate impacts have the potential to negatively affect customers' profitability as well as the Group's portfolio and investments. Moreover, chronic climatic shifts may impact the economic outlook at a macro level, leading to deteriorating financial market performance, a weakened macroeconomy, and devaluation of assets held as collateral.</p>	Risk	Own operations and downstream	Medium to long term
	Effect of transition risks on the financial fluidity and profitability of loans and investments	<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 banks financing these industries.</p> <p>A rapid economic shift could degrade the asset quality of the Group's loans and advances to customers, as well as the value of investments in carbon-intensive industries.</p> <p>Transition risks may also manifest as increased expenses or decreased revenue due to carbon taxes, stranded fixed assets, and shifts in market sentiment. Moreover, if the profitability of customers and security issuers is adversely affected by a sharp transition to a low-carbon economy, this may substantially affect their repayment abilities.</p>	Risk	Own operations and downstream	Medium to long term
	Portfolio GHG emissions from carbon-intensive sectors	Financing and investing in carbon-intensive sectors contribute to GHG emissions associated with the BEA Group's portfolio, which represent the vast majority of the Group's emissions. These emissions exacerbate climate change and negatively impact ecosystems, human health, and economies around the world.	Negative impact	Downstream	Short to long term
	Supporting climate change mitigation by reducing GHG emissions in the BEA Group's portfolio	The Group can support climate change mitigation by managing our exposure to carbon-intensive sectors, engaging with borrowers to develop their transition plans, financing and investing in lower-carbon and renewable energy solutions, supporting SMEs in their climate change mitigation efforts, and incentivising the transition through products such as sustainability-linked loans.	Positive impact	Downstream	Medium to long term



Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location	Time Horizon
<b>Cybersecurity and data privacy</b> The protection of customers' data and privacy, including ongoing efforts to improve security measures, as BEA adopts innovative digital technologies	Compliance with data protection laws	The BEA Group may incur costs to comply with various data protection laws in our markets, such as the Hong Kong Personal Data (Privacy) Ordinance, the UK GDPR, and Chinese Mainland PIPL. Requirements may conflict across markets or have extraterritorial effect, creating additional compliance risks that may be complicated by deeper cross-boundary business integration as the Group progresses on our digital roadmap. Failure to comply with such laws may give rise to regulatory fines, penalties, and reputational damage.	Risk	Upstream, own operations, and downstream	Short to long term
	Financial effects of cyberattacks on BEA Group's business	The BEA Group's adoption of new technologies, including cloud computing, fintech solutions, and A.I., may increase the risks of cyberattacks that can result in business continuity disruption, contingent liabilities, fines, increased expenses, impaired reputation, and decreasing market share and revenue. Vulnerability to cyberattacks may increase the Group's cost of capital.	Risk	Upstream, own operations, and downstream	Short to long term
<b>Financial literacy and inclusion</b> Providing our customers with the financial knowledge they need to help ensure their financial wellbeing, considering their needs when developing and promoting products and providing adequate access to our services	Empowering customers and communities through financial literacy and inclusion	The BEA Group can advance the financial capability of and responsible use of financial services by customers and communities by providing education and improving the accessibility and suitability of banking services across our markets. These efforts can enable informed financial decisions, safer day-to-day money management and broader participation in the financial system, contributing to household resilience and the functioning of local economies.	Positive impact	Downstream	Short to long term
	Unlocking revenue and enhancing reputation through financial literacy and inclusion	The BEA Group can access new sources of revenue by broadening the use of products and services by all segments of society through the implementation of tailored existing and innovative approaches, including financial awareness and education with a view to promote financial wellbeing as well as economic and social inclusion. Supporting vulnerable and underserved groups, including senior citizens and SMEs, in the Group's markets, while avoiding discriminatory lending practices, can improve the Group's reputation among local communities, regulators, and other key stakeholders, enhancing the value of intangible assets. This also includes efforts to promote financial education. Reputational benefits may be particularly salient when the Group is able to meet or exceed regulatory expectations or guidelines, such as the HKMA's Treat Customers Fairly Charter.	Opportunity	Upstream, own operations, and downstream	Short to medium term



Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location	Time Horizon
<b>Responsible products and services</b> Considering the financial needs of our customers, designing and marketing products and services that are fair, and having relevant grievance mechanisms in place to enable two-way communication	Failure to respond to shifting customer expectations	A failure to proactively understand, anticipate, and adapt to shifting customer expectations could lead to increased customer complaints, erosion of trust in the BEA Group, and a negative impact on revenue. This also leaves the BEA Group ill-prepared to compete effectively in an evolving marketplace for both individual and business clients, potentially resulting in lost market share and diminished client retention.	Risk	Own operations and downstream	Short to long term
	Legal and regulatory risk related to responsible products and services	Breach of the BEA Group's legal and regulatory requirements to offer responsible products and services, including product marketing and design and complaint handling, in accordance with relevant HKMA's SPM and other requirements, as well as commitments such as the HKMA's Treat Customer Fairly Charter, UK's Consumer Duty, and the BEA Group's internal policies and guidelines, can result in reputational damage, fines, litigation, and restrictions on specific business activities.	Risk	Upstream, own operations, and downstream	Short to long term
	Misleading or inadequate information about products and services	Failure to provide customers with adequate and accurate information about the BEA Group's products and services, including through misleading representations, deceptive design, and marketing practices or failure to clearly explain the key features, risks, and terms of products and services can lead individuals and businesses to purchase products or services without fully understanding their risks. This can negatively impact their financial prospects and mental wellbeing.	Negative impact	Downstream	Short to long term



Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location	Time Horizon
<b>Sustainable finance</b> Integrating ESG considerations into the Group's investment and lending practices to minimise or negate BEA's potential contribution to negative impacts through its financing decisions, including on nature, and identifying business opportunities for financing that can drive the transition to a more sustainable future	Negative ESG-related impacts of customers and portfolio companies	The BEA Group's customers and portfolio companies may contribute to negative impacts on the environment, economies, and people. This includes negative environmental impacts on our shared air, land, and water, as well as the species present in each. Social impacts relate to human rights and labour issues, including health and safety, child labour, and modern slavery, while governance impacts relate to bribery, corruption, and AML/CFT, among other issues. The BEA Group may indirectly contribute to these impacts through our investment and lending activities.	Negative impact	Downstream	Short to long term
	Ability to positively influence customers and portfolio companies on ESG issues	The BEA Group can leverage our position and influence to encourage customers and other stakeholders to transition to more sustainable practices through GSF. Considering ESG factors in financing decisions, including by offering lower interest rate solutions for more sustainable activities, can help mitigate negative impacts on the environment, economies, and people connected to the BEA Group's customers and portfolio companies while products and services aimed at enabling more sustainable activities, such as the energy transition, nature-based solutions, and social needs, can actively accelerate positive impacts.	Positive impact	Upstream, own operations, and downstream	Medium to long term
	Growth in nature-related financing opportunities	Financial services are a critical component of the global efforts to reverse biodiversity loss and environmental degradation, but the global biodiversity finance gap is estimated at USD 700 billion per year by the United Nations Environment Programme. The BEA Group can offer tailored products and services that support clients in high-impact sectors as they transition towards business models and activities with reduced adverse ecological impact, supporting global biodiversity protection and conservation goals and policies while capturing new market share in this area.	Opportunity	Upstream, own operations, and downstream	Short to long term
	Growth opportunities for the BEA Group's GSF business	Sustainability-focused products can open new market opportunities for both consumers and corporate customers. The GSF market is relatively new compared to markets for other financial products and services, and relatively few banks in Asia are innovating in this area. The BEA Group has an opportunity to capture market share as demand evolves, particularly in Asia where governments and regulators remain committed to the transition to more sustainable business practices.	Opportunity	Upstream, own operations, and downstream	Short to long term



Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location	Time Horizon
<b>Sustainable finance</b> Integrating ESG considerations into the Group's investment and lending practices to minimise or negate BEA's potential contribution to negative impacts through its financing decisions, including on nature, and identifying business opportunities for financing that can drive the transition to a more sustainable	Growth opportunities in transition finance	Targeted financial services are critical enablers to achieve the goals of the Paris Agreement to limit the effects of global warming. The BEA Group's provision of products and services that help lower emissions and promote climate resilience—including those not yet qualified under the Group's GSF criteria—is a strategic opportunity to grow market share, increase revenue, and improve reputation with policymakers focused on emissions reduction. This is particularly relevant for high carbon-intensive sectors such as Energy (Oil & Gas), Manufacturing, Power, and Transportation. According to the International Monetary Fund, emerging markets and developing economies in Asia in particular, require over USD 1.1 trillion annually for climate investments. Transition finance can bridge this gap, positioning the BEA Group to capture long-term growth opportunities.	Opportunity	Upstream, own operations, and downstream	Short to long term
	Indirect contributions to biodiversity loss	Through our financing and investment activities, the BEA Group may be connected to biodiversity loss driven by clients that contribute to climate change, land-use change, pollution, and habitat destruction. This is particularly relevant for high-impact sectors such as agribusiness, mining, energy, and infrastructure. These activities can result in irreversible harm to ecosystems, species decline or extinction, and the degradation of natural resources.	Negative impact	Downstream	Short to long term
<b>Systemic risk management</b> Identifying, assessing, and mitigating risks that have the potential to disrupt broader financial systems to enhance business resilience and promote stability	Macroeconomic, geopolitical and other systemic risks	The failure to appropriately manage systemic risks, including macroeconomic, geopolitical, climate, and other risks, can significantly impact the BEA Group's performance and ability to withstand financial and economic downturns.	Risk	Upstream, own operations, and downstream	Short to long term
	Strengthening the BEA group's resilience with effective risk management	Managing systemic risk (e.g., through periodic stress testing, including climate risk stress testing) can enhance the BEA Group's resilience in financial and economic downturns and promote effective engagement with regulators. Improved capital ratios and transparency on capital can give banks a competitive advantage, improve credit ratings, and lower the cost of capital. Higher liquidity ratios may positively impact efficiency and profitability.	Opportunity	Upstream, own operations, and downstream	Short to long term



Responsible Operations					
Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location	Time Horizon
<b>Diversity, equity, and inclusion</b> Operating with respect for differences, without discrimination regarding age, gender, sexual orientation, religion, origin, medical condition or other factors, while ensuring employment relationships are based on the principle of equal opportunity and fair treatment	Fostering an inclusive culture	An inclusive workplace characterised by fairness, equity, opportunity, and respect for social and cultural diversity brings diverse perspectives from which we all benefit and allows staff members from all backgrounds to realise their full potential, fostering job satisfaction and a sense of purpose at work. The BEA Group's participation in building a safe and welcoming environment can contribute to broader societal acceptance of excluded or marginalised groups.	Positive impact	Upstream, own operations, and downstream	Short to long term
<b>Health, safety, and wellbeing</b> Providing a workplace aimed at ensuring the wellbeing of BEA's employees and a healthy and safe environment for both employees and customers	Mental and physical stress in banking	The banking sector has historically been associated with negative impacts on the mental and physical health of employees due to heavy workloads, commercial expectations, and job insecurity, which may cause stress and anxiety. This can also make employees less productive. Many of these impacts may be exacerbated by a culture of hiding symptoms, rapid adoption of new and complex technologies, and a challenging macroeconomic environment.	Negative impact	Own operations	Short to long term
<b>Operational emissions reduction</b> Responding to the climate emergency by reducing the GHG emissions that arise from our operations	Environmental and health impacts of the BEA Group's operational carbon footprint	GHG emissions from the BEA Group's operations, including energy use and other sources, contribute to worsening climate change, rising temperatures, stronger storms and other hazards, that negatively impact the environment and, indirectly, human health. Digitalisation and the increased use of A.I., cloud computing, big data, and other services can drive water use for cooling, energy use for operations, and associated emissions.	Negative impact	Upstream, own operations, and downstream	Short to long term
	Mitigating climate change through operational emissions reduction	Investment in GHG emissions reduction measures, including low-energy buildings, institutional change to incentivise carbon reduction behaviours, and investments in renewable energy, can help mitigate the negative impacts of climate change and contribute to the transition to a low-carbon future.	Positive impact	Upstream, own operations, and downstream	Medium to long term
<b>Responsible supply chain management</b> Managing the Group's supply chain in a responsible and ethical manner that respects human rights and minimises impact on the environment, including opting for environmentally and socially preferable suppliers, and promoting responsible practices in the Group's supply chain	Negative ESG-related impacts of suppliers	The BEA Group's suppliers may be connected to negative impacts on economies, the environment, and people, such as unethical practices related to labour and human rights or environmental degradation, which may be more severe where social and environmental challenges persist, including in Asia, where over 80% of the Group's suppliers are located. The BEA Group may indirectly contribute to these adverse impacts as a customer and should actively identify and remediate impacts.	Negative impact	Upstream	Short to medium term



Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location	Time Horizon
<b>Sustainable resource use</b> Measuring, monitoring and where possible, reducing the consumption of resources needed for the Group's daily operations including energy, paper and water, and reducing waste from resources used	Waste and environmental impact of the BEA Group's office operations	Inefficient and excessive use of energy, paper, and water in the BEA Group's offices exacerbates the depletion of natural resources, while continued reliance on fossil fuel-based energy contributes to the worsening of climate change. Improper management of waste, including plastic and food waste, can result in pollution and contribute to overstressed landfills in markets such as Hong Kong.	Negative impact	Upstream, own operations, and downstream	Medium to long term
<b>Talent attraction and retention</b> Providing a meaningful and rewarding employee experience including benefits, remuneration, and working environments supported by open and clear communication that enables the Group to attract and retain employees	Enhancing the employee and customer experience through talent attraction and retention efforts	Competitive compensation and benefits, alongside meaningful employee engagement and promotion of financial and mental wellbeing at work help the BEA Group attract and retain employees who deliver positive customer experiences, contributing to the Group's sustainability as well as the overall health of the banking sector, economy, and society.	Positive impact	Own operations and downstream	Short to long term
	Competition for highly skilled talent in a competitive, evolving industry	The BEA Group's delivery of high-quality financial services depends on the efforts of a highly skilled workforce within a competitive industry. The increasing use of automation, digitalisation, A.I. and demographic changes may further complicate the Group's ability to attract and retain qualified employees.	Risk	Own operations	Short to long term
<b>Training and development</b> Providing training and development opportunities to enhance job performance, assist employees in achieving career objectives, and actively manage succession	Future-proofing BEA Group through training	Training and development ensure the BEA Group's workforce can continue to perform well and help avoid incidents of non-compliance in a highly regulated and rapidly evolving industry, marked by new technology and digitalisation. Training and leadership programmes aimed at enhancing the capabilities of the Group's employees can cultivate a robust talent pool and a succession pipeline for the company.	Opportunity	Own operations	Short to long term
	Empowering employees through training	Internal, external, and tailored training supports upskilling and professional development and helps employees better leverage new skills and knowledge related to topics such as A.I. utilisation, data governance and analytics, and regulatory change management. This can result not only in improved employee performance and higher employee satisfaction but also higher service quality and a more reliable banking system.	Positive impact	Own operations	Short to medium term



Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location	Time Horizon
<b>Technology innovation</b> Adopting and harnessing new technological developments responsibly to improve operational efficiency and productivity	Improving operational efficiency and productivity with A.I.	The BEA Group can harness the latest developments in generative A.I. to improve day-to-day operations, enhance key internal processes such as auditing, aid decision-making, and boost employee productivity—leading to greater efficiency and cost savings across different functions. The Group can also leverage A.I. to streamline ESG efforts, including the assessment and mitigation of financed emissions for sectors under various scenarios.	Opportunity	Own operations	Short to long term
	Mismanaged Use of A.I.	As A.I. models and platforms increasingly rely on large volumes of personal data, the BEA Group faces heightened risks related to data privacy (including leaks and complex regulatory compliance) and intellectual property, which could undermine customer trust, invite regulatory scrutiny and fines, and harm the Group's reputation. A.I. tools must also be managed in line with regulatory guidelines, including the HKMA's principles on A.I. use. At the same time, failure to adopt these tools and manage their use as quickly and effectively as peer banks—including preventing a reduction in service quality as human interaction may be limited—threatens the BEA Group's competitive positioning.	Risk	Upstream, own operations, and downstream	Short to long term

### Responsible Citizen

Material Topic and Description	Material Impact, Risk, or Opportunity	Description	Category	Value Chain Location	Time Horizon
<b>Community Investment</b> Contributing to the communities in which BEA operates through charitable donations, programme funding, scholarships, sponsorships, and staff volunteering	Promoting community education and awareness	The BEA Group can leverage our influence and resources to advance sustainability. Through community giving, employee contributions and volunteering, collaboration with NGOs, educational outreach, and leveraging our business network, the Group can create meaningful impacts and make a difference in the wellbeing of the planet, people, and communities.	Positive impact	Downstream	Short to long term



# Charters, Memberships, Awards, and Recognition

## Charters

Charter/Scheme	Name of Association, NGO, or Chamber	Year Charter was adopted	Location where Charter in applicable
<b>BEA</b>			
Energy Saving Charter 2025	Environment and Ecology Bureau (EEB)	2025	Hong Kong
Food Wise Charter	EEB	2025	Hong Kong
Harmony@Workplace Organisation 2025-26	Occupational Safety & Health Council (OSHC)	2025	Hong Kong
Joyful@Healthy Workplace Charter	OSHC	2025	Hong Kong
Mental Health Workplace Charter – Mental Health Friendly Supreme Organisation	OSHC	2025	Hong Kong
Anti-Scam Consumer Protection Charter 2.0	HKMA & HKAB	2024	Hong Kong
Banking Industry Integrity Charter	ICAC	2024	Hong Kong
Charter on Preferential Appointment of OSH Star Enterprise	OSHC	2018	Hong Kong
Sustainable Procurement Charter	Green Council	2018	Hong Kong
Charter on External Lighting	EEB	2016	Hong Kong
Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme	Labour and Welfare Bureau, the Rehabilitation Advisory Committee, The Hong Kong Council of Social Services (HKCSS), and the Hong Kong Joint Council for People with Disabilities	2015	Hong Kong
Treat Customers Fairly Charter	HKMA	2013	Hong Kong

**Memberships**

Title Held/Level	Name of Association, NGO, or Chamber
<b>BEA</b>	
Chairman of the Advisory Board	The Salvation Army Hong Kong and Macau Territory
Chairman and Vice-Chairman of Executive Committee	St. James' Settlement
Corporate (Full Member)	Asia Pacific Loan Market Association
Corporate (Full Member)	The Chamber of Hong Kong Listed Companies
Corporate	Asian Bankers Association
Corporate	The Hong Kong Institute of Bankers
Institutional Membership	Treasury Markets Association
Coral Member	HKCSS
Silver Member	WWF – Hong Kong
Member	Hong Kong Green Finance Association
Member	The Hong Kong Association of Banks
Member	UN Environment Programme Finance Initiative
Member	World Savings and Retail Banking Institute
Signatory Member	Green Investment Principles for the Belt and Road
Signatory Member	Partnership for Carbon Accounting Financials
Signatory Member	PRB
<b>BEA China</b>	
Director (Corporate)	Green Finance Committee, China Society for Finance and Banking
Deputy Director of the Foreign Bank Work Committee	China Banking Association (CBA)
Director (Corporate)	CBA
Director of the Foreign Bank Committee	Shanghai Banking Association (SBA)
Vice President	SBA
Vice President (Corporate)	SBA
Deputy Director General	Shanghai Financial Association (SFA)
Deputy Director General (Corporate)	SFA
Managing Director	Shanghai Finance Institute (SFI)
Managing Director (Corporate)	SFI
<b>Macau Branch</b>	
Vice-Chairman of the Supervisory Board	The Macau Association of Banks



## Memberships

Title Held/Level	Name of Association, NGO, or Chamber
<b>Taiwan Branch</b>	
Director	Association of Taiwan Listed Companies
Managing Director	Hong Kong Business Association in Taiwan
<b>Singapore Branch</b>	
Member	Institute of Banking and Finance Singapore
Member	The Association of Banks in Singapore
Member	The Singapore National Employers Federation
<b>London Branch</b>	
Member	Association of Foreign Banks
Member	Hong Kong Economic and Trade Office
Member	Hong Kong Trade Development Council (HKTDC)
Member	Loan Market Association
Member	The Guild of International Bankers
Member	The Hong Kong Association
Member	UK Chinese Bankers Association
<b>BEA Trustees</b>	
Member	Hong Kong Trustees' Association Limited
Member	The Hong Kong Retirement Schemes Association
<b>BEA GSC</b>	
Member	Guangzhou Association of Service Trade & Outsourcing
Member	Guangdong Service Outsourcing Industry Association
Member	Guangzhou Volunteers Association
<b>BEA Union Investment</b>	
Chairman of the Executive Committee	Hong Kong Retirement Schemes Association
Director	RetireHK Limited
Society Secretary and Executive Director	CFA Society Hong Kong
Member of the Executive Committee	Hong Kong Investment Funds Association (HKIFA)
Full and Overseas Member	HKIFA
Corporate Member	Hong Kong Retirement Schemes Association
Signatory Member	United Nations Principles for Responsible Investments
Signatory Member	Climate Action 100+



## Awards and Recognition

Award	Awarding Body
<b>BEA</b>	
2025 HKMA Best Annual Reports Awards – Certificate of Excellence in ESG Reporting	The Hong Kong Management Association
2025 MPF Awards – Sustainably Friendly <ul style="list-style-type: none"> <li>• BEA (MPF) Master Trust Scheme</li> <li>• BEA (MPF) Value Scheme</li> <li>• BEA (MPF) Industry Scheme</li> </ul>	MPF Ratings Limited
2025 Natural Christmas Trees Recycling Programme Certificate of Appreciation – The Bank of East Asia, Limited	EPD
2025 Peach Blossom Trees Recycling Programme Certificate of Appreciation – The Bank of East Asia, Limited	EPD
2025 WSBI-ESBG SDG Awards <ul style="list-style-type: none"> <li>• Climate Finance</li> <li>• Digital Transformation and Technological Innovation</li> </ul>	WSBI-ESBG
24 <sup>th</sup> Hong Kong Occupational Safety & Health Award - Safety Performance Award (All Industries Category) – Outstanding Award	OSHC
Awarded as Super MDs in "Manpower Developer" until 2028	Employees Retraining Board
Bank Staff Recognition Ceremony <ul style="list-style-type: none"> <li>• Award for Real Time Monitoring</li> <li>• Effective Collaboration with Police 'Scam Response Team' Award</li> </ul>	HKPF
Best SME's Partner	Hong Kong General Chamber of Small & Medium Business
Bloomberg Businessweek (Chinese Edition) Financial Institutions 2025 Awards : <ul style="list-style-type: none"> <li>• Excellence Award - Digital Marketing (Branding), Clients Engagement</li> <li>• Outstanding Award - Bank of the Year, Asia Pacific High Net Worth Service, Integrated Marketing (Branding Promotion), Premium Segment Client Service, SME Engagement (Greater Bay Area)</li> </ul>	Bloomberg Businessweek Chinese Edition
Climate Action Award 2025 – Climate Action Leadership Award	World Green Organisation
CLP Smart Energy Award 2025 – Energy Management Award (Commercial)	CLP Power Hong Kong Limited
Commendation Scheme on Source Separation of Commercial and Industrial Waste 2024/25 – Certificate of Merit (Mixed Office) for The Bank of East Asia Building and The Bank of East Asia, Limited	EPD and Environmental Campaign Committee (ECC)
CTgoodjobs Best HR Awards 2025 <ul style="list-style-type: none"> <li>• Best AI Implementation Award (Grand)</li> <li>• Best Corporate Social Responsibility Award (Gold)</li> <li>• Best Data Literacy Award (Grand)</li> <li>• Best ESG Award (Grand)</li> <li>• Best Family-friendly Employment Policy Award (Gold)</li> <li>• Employer of the Year (Grand)</li> </ul>	CTgoodjobs



## Awards and Recognition

Award	Awarding Body
<b>BEA</b>	
DALA Awards 2025 • Gold for Best Data & AI Talent Cultivation Award • Merit for Best Data Culture Award	DALA
Data Governance Best Practice Award	DAMA International
Energywise Certificate – Excellent Level for The Bank of East Asia Building and BEA Tower	ECC
Financial Services Award of Excellence 2025 – Award of Excellence • Corporate Payment and Cash Management Services • Digital Personal Banking • Retail Banking • SME Financing	Hong Kong Economic Journal
Food Wise Eateries Scheme – Diamond Class	EPD
Global Brand Awards 2025 – Best Digital Banking – Hong Kong	Global Brands Magazine
Gold Seal for Contribution to Sustainable Property – Promote Environmental Protection	Hong Kong Quality Assurance Agency (HKQAA)
Gold Seal for the Pilot Programme on Sustainability-related Financial Information Disclosure	HKQAA
HKIB Talent Development Award 2025	HKIB
HKIB Talent Development Excellence Award 2025 – Star Award – Career Development Framework	HKIB
HKMA Sustainability Award 2025 • Excellence in Environmental Sustainability Initiative (Large Organisations) • Certificate of Excellence (Large Organisations)	The Hong Kong Management Association
Hong Kong Awards for Environmental Excellence – Silver Award (Servicing and Trading Sector)	ECC
Hong Kong Green and Sustainable Finance Awards 2025 – Outstanding Award for Green and Sustainable Loan Structuring Advisor (Industrial Sector) – Visionary Sustainability-linked Loan Performance Metrics	HKQAA
Hong Kong Green Awards 2025 • Green Management Award – Corporate (Large Corporation) – Silver • Sustainable Procurement Award (Large Corporation) – Procurement Governance	Green Council
Hong Kong Green Organisation Certification for The Bank of East Asia, Limited and The Bank of East Asia Building	ECC
IAQwise Certificate – Excellent Level for The Bank of East Asia Building and BEA Tower and Good Level for 33 Des Voeux Road Central	ECC
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	EPD
Investor and Financial Education Award 2025 – Merit Award (Corporate)	Investor and Financial Education Council
Occupational Health Award 2025-26 • Joyful@Healthy Workplace Best Practices Award (Enterprise/Organisation) – Grand Award • Joyful@Healthy Workplace Best Practices Award: Distinction in Healthy Eating Promotion	OSHC, the Labour Department, and the Department of Health



## Awards and Recognition

Award	Awarding Body
<b>BEA</b>	
Outstanding ESG Enterprises Recognition Scheme 2025 • ESG Commendation Certification • Outstanding ESG Environmental Performance Award	Sing Tao News Corporation and The Hong Kong Polytechnic University
Private Banking Awards 2025: Hong Kong Best for Sustainability	Euromoney
Quality Water Supply Scheme for Buildings – Flushing Water (Management System – Gold for BEA Tower	WSD
Quality Water Supply Scheme for Buildings – Fresh Water (Management System) – Gold for the Bank of East Asia Building, BEA Tower and 33 Des Voeux Road Central	WSD
S&P Global Sustainability Yearbook (China) 2025 – Industry Mover	S&P Global
The Community Chest Annual Awards 2024/2025 – The Community Chest Award for Outstanding Service, Award of Excellence	The Community Chest of Hong Kong
Triple A Digital Awards 2025 – Best Digital Upgrade – BEA Mobile	The Asset
Wastewi\$e Certificate – Excellent Level for The Bank of East Asia, Limited, The Bank of East Asia Building and 33 Des Voeux Road Central	ECC
Workplace Mental Health Award 2025-26 – Mental Health Friendly Supreme Organisation Award (Enterprise/Organisation) – Bronze	OSHC, the Labour Department, and the Department of Health
<b>BEA China</b>	
2025 Green Finance Forum – Green Finance Ecosystem Collaboration Case	International Financial News
2025 Typical ESG Practice Cases in the Banking Industry – Green Finance Innovation Case	China Financial Media Company Limited
CGMA Annual Awards 2025 – Excellent Sustainability Award	The Association of International Certified Professional Accountants
<b>GSC</b>	
2025 Hong Kong Customer Contact Association Awards • Bronze Honours for Inbound Customer Centre Manager of the Year • Bronze Honours for Customer Centre Quality Management Professional of the Year	Hong Kong Customer Contact Association
<b>Singapore Branch</b>	
Excellent Service Award (EXSA) 2024	The Association of Banks in Singapore



## ASSURANCE STATEMENT

### SGS HONG KONG'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE BANK OF EAST ASIA, LIMITED 2025 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") REPORT

#### NATURE OF THE ASSURANCE

SGS Hong Kong Limited (hereinafter referred to as SGS) was commissioned by The Bank of East Asia, Limited (hereinafter referred to as BEA) to conduct an independent assurance of the contents of the 2025 ESG Report (hereinafter referred to as the Report).

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all BEA's stakeholders.

#### RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of BEA. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all BEA's stakeholders.

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

SGS performs the engagement based on internationally recognised assurance guidance and standards. The Assurance engagement has been conducted according to the following Assurance Standards.

Assurance Standard	Level of Assurance
ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information	Reasonable

#### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance data and information included the text and data in accompanying tables contained in the Report. Data and information were included in this assurance process during the period from 1 January 2025 to 31 December 2025.

Reporting Criteria	
1	Appendix C2 ESG Reporting Code ("ESG Reporting Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEx Listing Rules")
2	Global Reporting Initiative ("GRI") Sustainability Reporting Standards 2021 (In Accordance with)
3	Hong Kong Financial Reporting Standard S2 ("HKFRS S2"): Climate-related Disclosures (With Reference)

#### ASSURANCE METHODOLOGY

The assurance comprised a combination of onsite pre-assurance, interview with responsible personnels, data sampling, documentation and record review, verifying the internal control for collection, calculating and reporting the sustainability performance data and information and validation with external bodies. BEA's materiality assessment process, raw data and supporting evidence of the specified performance data and information were examined during the verification process.

#### LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

#### STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from BEA being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors of ISO 37001 & ISO 26000, nominated tutor of GRI Standards and experience of the SRA assurance service provisions.

#### ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the report content, data and information disclosed included in the scope of assurance is accurate, reliable, has been fairly stated and prepared, in all material respects, in accordance with the above-mentioned reporting criteria.

We believe that BEA has chosen an appropriate level of assurance for this stage in their reporting.

Signed:

For and on behalf of SGS Hong Kong Limited

Miranda Kwan  
Director  
Business Assurance  
18 March 2026



**The Bank of East Asia, Limited** 東亞銀行有限公司

10 Des Voeux Road Central, Hong Kong 香港中環德輔道中10號

Stock code 股份代號: 23 +852 3608 3608

[hkbea.com](http://hkbea.com)