



**The Bank of East Asia, Limited**

**東亞銀行有限公司**

*(Incorporated in Hong Kong with limited liability in 1918)*

(Stock Code: 23)

## **SUSTAINABILITY POLICY**

(reviewed and approved on 24<sup>th</sup> November, 2022)

## Introduction

- 1.1 The Bank of East Asia Group (“BEA” or the “Group”) is committed to sustainable development. We integrate social, environmental, ethical, employee, and customer concerns into our business and operations with the aim of aligning the interests of our employees, customers, and other stakeholders as well as the society at large.
- 1.2 The Group has established a *Corporate Governance Policy* that describes the governance principles and practices that direct the way the Group conducts its business.
- 1.3 BEA’s Sustainability Policy (the “Policy”), together with the *Corporate Governance Policy*, sets out the Group’s strategies and objectives in regard to Environmental, Social, and Governance (“ESG”) issues. ESG issues include ethical business conduct, corporate governance, fair employment practices, workplace health and safety, human rights, environmental protection, and social contributions. We believe that embedding ESG best practices into our strategies and operations will enable us to be in business for the long term, better meet the expectations of our stakeholders, and enhance the value of our brand. Group members understand and agree with the content and scope of this Policy and strive to conduct their affairs in line with its commitments.

## 1. Management Approach to Sustainability

- 2.1 Sustainability at BEA is championed by its Board of Directors, the Board-level ESG Committee, the Senior Management, the ESG Steering Committee, and the ESG Work Group. The Group also champions community investment together with The Bank of East Asia Charitable Foundation Limited (“BEA Foundation”), The Bank of East Asia (China) Limited, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund, and the Shanghai Charity Foundation – BEA Charity Fund.
- 2.2 The ESG Work Group is responsible for the annual review of this Policy, as well as its implementation within the Group subject to concurrence by the ESG Steering Committee. The ESG Steering Committee shall present the Policy to the ESG Committee for endorsement, which in turn makes recommendations to the Board.
- 2.3 BEA’s Sustainability Department serves as co-ordinator of the ESG Work Group under the supervision of the General Manager and Group Head of People & Sustainability Division, who directly reports to BEA’s Deputy Chief Executive & Chief Operating Officer.

- 1.4 Our ESG Strategy Framework guides us in achieving our vision to be regarded as the sustainability leader among financial institutions in Greater China and beyond. The Framework comprises 15 identified ESG topics that are material to the Bank's continued success. These topics, which include business ethics, cybersecurity and data privacy, treating customers fairly, and business ethics, serve as the basis for our annual goal-setting exercise. These goals are placed on the Bank-wide and divisional scorecards, monitored for progress, and reported to the Board ESG Committee.

## **2. Stakeholder Engagement**

- 3.1 We seek to be transparent and accountable in our pursuit of sustainable development, and provide regular, balanced, and understandable information on our progress and challenges.
- 3.2 We encourage active and open dialogue with our internal and external stakeholders to understand and address their expectations, gather their feedback, and forge closer relationships with them.
- 3.3 We include an introduction to ESG in our staff induction programme, and provide regular ESG-related training opportunities for permanent employees.

## **3. Growing Our Business Responsibly**

Sustainable development starts with a resilient and inclusive society. One of the most significant contributions that we as a Group make to sustainable development is through our banking, financial, insurance, and other services. ESG issues are factored into our decision-making process as we recognise the impact of our choices on the individuals, companies, and projects we invest in; the services and products we offer; and the business partners we work with.

### *Integrating ESG into Our Business*

- 4.1 We strive to integrate ESG principles into our business strategies, risk management, and operations to build resilience and financial sustainability, as well as to deliver long-term value.

We are committed to upholding the highest standards of corporate governance and acting in a transparent and accountable manner. We comply with local legal and regulatory requirements and strive to adopt international best practices where applicable.

We also cooperate with our business partners, local government, regulatory / statutory bodies, non-governmental organisations ("NGOs"), and our peers to promote awareness and integration of ESG issues.

### *Driving the Development of Green and Sustainable Finance*

- 4.2 We strive to finance companies and projects that create value for society and the environment, and adhere to local standards of governance and labour practices.

Committed to building a thriving local economy, our Group actively supports the development of local small and medium enterprises and promotes entrepreneurship.

### *Treating Customers Fairly*

- 4.3 Customer focus is one of our core values. As a signatory of the *Treat Customers Fairly Charter* endorsed by the Hong Kong Monetary Authority, we strive to provide products and services that adhere to the highest ethical standards.

We practise responsible marketing, and endeavour to provide accurate, complete, and understandable information to allow our customers to make informed decisions. We strive to ensure that any product sold to customers is commensurate with their needs and risk appetite.

We do not discriminate on the basis of gender, race, religion, family and marital status, sexual orientation, and/or physical ability when providing services to customers. Wherever possible, we provide accessible services for hearing, visually, or physically impaired customers.

We believe in providing marginalised groups with access to financial and other services, and as such, we strive to develop products and services that support underprivileged groups. We also recognise the important role we play in promoting financial literacy. To this end, we work with local government, regulatory bodies, and other stakeholders in the markets we serve.

Our customers are provided with reasonable channels to submit complaints / concerns, to which we aim to provide timely feedback and conduct proper investigations, where needed. In addition to responding quickly, sensitively, and fairly to our customers at all times, we seek ways to improve to avoid recurrence.

Our customers are assured that their personal information and right to privacy is protected, with the Bank Group abiding by the Personal Data (Privacy) Ordinance.

## 5. Managing Our Operations Responsibly

We understand that securing a sustainable future will require changes in the way we do business. To drive improvements, we need to have clear goals on enhancing environmental performance, and have the support of our people, our suppliers and other stakeholders.

### *Developing Our People*

- 5.1 Our people are our most valuable asset and we strive to build a company that they can be proud to be part of. Committed to staff development and wellbeing, we strive to create a safe, healthy, and inclusive workplace and encourage a good work-life balance.

We actively support the professional development of our employees by providing training, offering scholarships to employees and their children, and encouraging lifelong learning.

We provide equal opportunities to all job applicants and employees, regardless of age, gender, race, religion, family and marital status, sexual orientation, and/or physical ability.

We encourage open dialogue between Senior Management and Group employees, and we have a comprehensive and accessible grievance policy. The Whistleblowing Policy and Procedure, which is accessible via the staff intranet, enables employees of the Bank to report conduct or practices of another employee or a business unit that they reasonably believe in good faith to be illegal, unethical, questionable or irregular, without the fear of personal repercussion or the risk of reprisal.

### *Enhancing Our Environmental Performance*

- 5.2 The Group has established an Environmental Policy, which sets out the Group's strategies and objectives in relation to environmental protection.

We are committed to re-assessing our business operations to create more efficient processes and manage our environmental impacts. We do this by monitoring the environmental footprint of our office buildings and branches, and making a continuous effort to reduce our carbon emissions, energy consumption, resource use (e.g. paper products), and waste.

We work with employees, customers, and suppliers to raise their awareness of environmental issues and promote eco-friendly practices. Meanwhile, we use technology to advance our sustainability agenda, for example, by encouraging shareholders and customers to use electronic communications and documents rather than paper.

To raise awareness of environmental issues among our employees and the wider society, we actively participate in outreach initiatives organised by environmental groups who share our vision.

### *Engaging Our Suppliers*

- 5.3 We build relationships with suppliers that share our commitment to responsible and ethical operating practices, and will not knowingly work with suppliers that have a record of negative impact on the environment and society. Our suppliers are required to acknowledge compliance with our Supplier Code of Conduct. We prohibit slavery and human trafficking in our business and supply chain as stated in our Slavery and Human Trafficking Statement.

We respect the human rights of our stakeholders as stated in our Human Rights Policy. Our Whistleblowing Policy on the BEA website provides a mechanism through which suppliers and other external stakeholders can confidentially and anonymously report concerns to the Bank without fear of retaliation.

## **6. Contributing to Our Community**

- 6.1 It is important to us that we make a positive contribution to the communities in which we operate. We also work through the BEA Foundation, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund, and the Shanghai Charity Foundation – BEA Charity Fund, when appropriate, to support causes and organisations that are in line with our three community investment focus areas, namely education, social welfare, and the environment.
- 6.2 We encourage and enable our employees to contribute meaningfully to the communities in which they live and work through their involvement in volunteering and fundraising activities, and by sharing their skills (e.g. to provide financial education, serving as mentors, serving on the boards of NGOs, etc.).
- 6.3 We aim to leverage our financial expertise, services, and technology to help NGOs and their target audiences.

## **7. ESG Disclosure**

- 7.1 We publish an annual ESG Report, which is prepared in accordance with the requirements of Appendix 27 (Environmental, Social, and Governance Reporting Guide) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Our ESG Report follows international reporting standards and is independently verified. The ESG Report is endorsed by the ESG Committee and approved by the Board before publication.
- 7.2 We issue regular internal communications to inform employees about the ESG and community investment-related activities of the Group. We also issue press releases and maintain a Sustainability section on our corporate website to inform the general public about our major achievements and initiatives.

## **8. Review of This Policy**

This Policy shall be reviewed annually and as required to ensure its relevance and effectiveness.

Should there be any discrepancy between the English version and the Chinese version of this Policy, the English version shall apply and prevail.