



**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 26<sup>th</sup> November, 2021)

## 1. 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 BEA’s Sustainability Policy (the “Policy”) was reviewed by BEA’s Environmental, Social, and Governance (“ESG”) Work Group, which comprises representatives of the Bank’s departments, as well as major Group members. The Policy has been endorsed by BEA’s ESG Steering Committee, which comprises heads of divisions that play an important role in BEA’s ESG initiatives, as well as the Group’s Senior Management<sup>1</sup>.
- 1.3 The Group has established a *Corporate Governance Policy* that describes the governance principles and practices that direct the way the Group conducts its business.
- 1.4 This Policy, together with the *Corporate Governance Policy*, sets out the Group’s strategies and objectives in regard to 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.

## 2. 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, and the Shanghai Soong Ching Ling Foundation – BEA Charity Fund (the “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.

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<sup>1</sup> Senior Management includes Co-Chief Executives and Deputy Chief Executives of the Bank.

- 2.3 BEA's Sustainability Section serves as co-ordinator of ESG Work Group communications and initiatives, working with the members under the supervision of the General Manager and Head of Human Resources & Corporate Communications Division, who directly reports to BEA's Deputy Chief Executive & Chief Operating Officer.

### **3. 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 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 ESG-related training opportunities for permanent employees.

### **4. Growing Our Business Responsibly**

Sustainable development starts with a resilient and inclusive society. One of the most significant contributions that we, as a provider of banking, financial, insurance, and other services, can make as a Group to sustainable development is to foster economic development in the communities we serve. We recognise the impact of our choices: the individuals, companies, and projects we invest in and insure; the services and products we offer; and the business partners we work with. We endeavour to make responsible decisions that take ESG issues into account.

- 4.1 We strive to integrate ESG principles into our operations and business strategies.
- 4.2 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.
- 4.3 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.
- 4.4 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.
- 4.5 We are committed to building a thriving local economy by supporting the development of local small and medium enterprises and promoting entrepreneurship.

- 4.6 We cooperate with our business partners, local government, regulatory / statutory bodies, and our peers to promote awareness and integration of ESG issues.
- 4.7 We take ESG principles into account in our corporate risk management to build resilience in our financial and insurance products.

## 5. **Serving Our Customers**

Customer focus is one of our core values. We realise that our success depends on how well we anticipate, understand, and satisfy the needs of our customers, and we strive to provide reliable products and services. We are a signatory of the *Treat Customers Fairly Charter* endorsed by the Hong Kong Monetary Authority.

- 5.1 We adhere to the highest ethical standards and strive to ensure that any product sold to customers is commensurate with their needs and risk appetite.
- 5.2 We practice responsible marketing, and endeavour to provide accurate, complete, and understandable information to allow our customers to make informed decisions. We also strive to deliver on the promises we make when marketing and selling products and services.
- 5.3 We protect the security of our customers' personal information and their right to privacy, and abide by the Personal Data (Privacy) Ordinance.
- 5.4 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.
- 5.5 We strive to ensure that our services are accessible for hearing, visually, or physically impaired customers wherever possible.
- 5.6 We strive to deliver quality service to all our customers, and aim to respond quickly, sensitively, and fairly to our customers at all times. We provide customers with reasonable channels to submit complaints / concerns and provide feedback, and endeavour to respond to customers quickly and fairly upon conducting proper investigations.
- 5.7 We work with local government, regulatory bodies, and other stakeholders to promote financial literacy.

## 6. **Developing Our People**

Our people are our most valuable asset and we are committed to their development and well-being. We strive to create a safe, healthy, and inclusive workplace and to build a company that all employees can be proud to be part of.

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

- 6.2 We provide a safe and healthy working environment, and encourage our employees to strike a good work-life balance.
- 6.3 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.
- 6.4 We encourage open dialogue between Senior Management and Group employees, and we have a comprehensive and accessible grievance policy.
- 6.5 Available to employees via the staff intranet, the Whistleblowing Policy and Procedure 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.

## **7. Contributing to Our Community**

It is important to us to contribute to the development of the communities in which we operate. We also work through the BEA Foundation and the BEA Charity Fund, when appropriate, to support causes and organisations that are in line with our community investment focus areas.

- 7.1 We are committed to making a positive contribution to the communities in which we operate.
- 7.2 Our community investment focusses on three core areas, namely education, social welfare, and the environment.
- 7.3 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 non-governmental organisations (“NGOs”), etc.).
- 7.4 We aim to leverage our financial services and technology to help NGOs and their target audiences.
- 7.5 We respect the human rights of our stakeholders as stated in our Human Rights Policy, and our Whistleblowing Statement provides a mechanism through which external stakeholders can confidentially and anonymously report concerns to the Bank without fear of retaliation.

## **8. Enhancing Our Environmental Performance**

We understand that securing a sustainable future will require changes in the way we do business. We are committed to re-assessing our business operations to create more efficient processes and manage our environmental impacts. The Group has established an *Environmental Policy* which sets out the Group's strategies and objectives in relation to environmental protection.

- 8.1 We monitor the environmental footprint of our office buildings and branches, and make a continuous effort to reduce our carbon emissions, energy consumption, resource use (e.g. paper products), and waste.
- 8.2 We work with employees, customers, and suppliers to raise their awareness of environmental issues and promote eco-friendly practices.
- 8.3 We use technology to advance our sustainability agenda, for example, by encouraging shareholders and customers to use electronic communications and documents rather than paper.
- 8.4 We aim to raise awareness of environmental issues among our employees and the wider society by actively participating in outreach initiatives organised by environmental groups.

## **9. Engaging Our Suppliers**

We will 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.

## **10. ESG Disclosure**

- 10.1 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. The ESG Report is endorsed by the ESG Committee and approved by the Board before publication.
- 10.2 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 at our corporate website to inform the general public about our major achievements and initiatives.

## **11. Review of This Policy**

- 11.1 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.