



BEA 東亞銀行

(Stock Code 股份代號：23)



2019

**ENVIRONMENTAL, SOCIAL, AND
GOVERNANCE REPORT**
環境、社會及管治報告

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About Us

The Bank of East Asia, Limited (“BEA” or the “Bank”) is a leading Hong Kong-based financial services group listed on The Stock Exchange of Hong Kong, with total consolidated assets of HK\$865.2 billion (US\$111.1 billion) as of 31st December, 2019. We provide a comprehensive range of corporate banking, personal banking, wealth management, and investment services. We maintain one of the largest retail networks of any bank in Hong Kong.

Our wholly-owned subsidiary, The Bank of East Asia (China) Limited, operates one of the most extensive networks of any foreign bank in Mainland China. Our other major markets include Macau, Taiwan, Malaysia, Singapore, the United Kingdom (“UK”), and the United States (“US”).

Worldwide, we serve our customers through approximately 200 outlets and offer rewarding and challenging career opportunities to over 9,800 employees.

We strive to be a positive, enabling force in the communities we serve and are committed to long-term sustainable development.

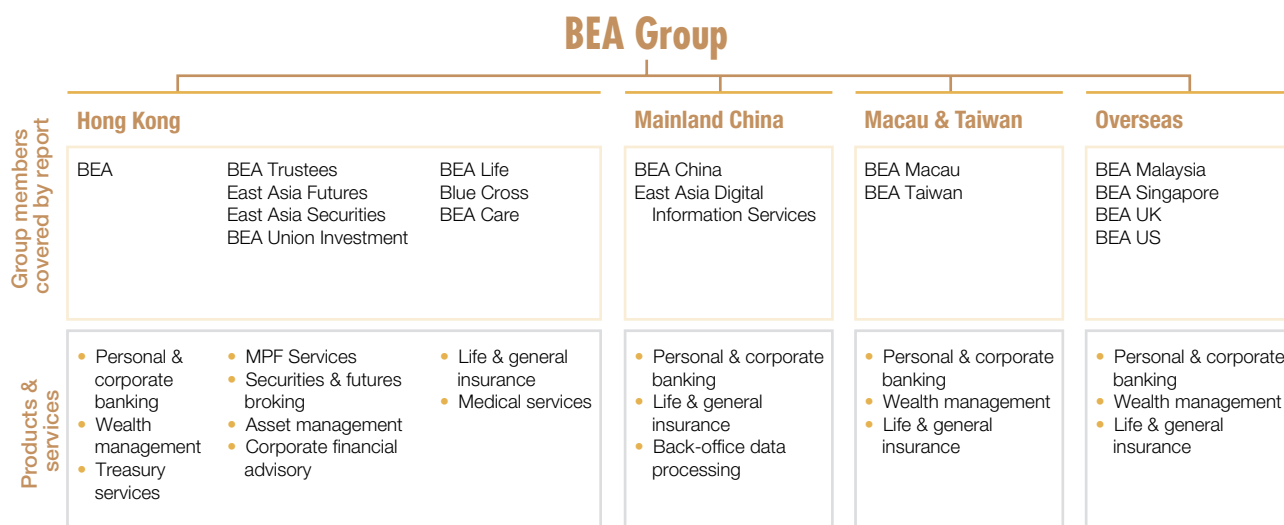
PRIMARY BRANDS, PRODUCTS, AND SERVICES

BEA has long been known for the comprehensive range of corporate and personal banking, financial, and insurance services that it provides to a diverse customer base. Wholesale and personal banking services are delivered through the Bank’s Corporate Banking, Personal Banking, Wealth Management, Insurance & Retirement Benefits, Treasury Markets, China, and International divisions.

Products and services include syndicated loans, trade finance, deposit-taking, foreign currency savings, remittances, mortgage loans, consumer loans, credit cards, Cyberbanking, retail investment and wealth management services, private banking, Renminbi services, foreign exchange margin trading, broking services, Mandatory Provident Fund (“MPF”) services, and general and life insurance.

In addition to the Bank’s core offering, other members of the BEA Group broaden the range of products and services available to individual and corporate customers. BEA’s wholly-owned subsidiaries BEA Life Limited and Blue Cross (Asia-Pacific) Insurance Limited serve as underwriters of life insurance and general insurance products, respectively.

ABOUT US



POSITION AS AT 31ST DECEMBER, 2019



About This Report

HOW TO READ THIS REPORT

Our 2019 Environmental, Social, and Governance (“ESG”) Report provides information that enables our stakeholders to make an informed assessment of how we minimise our impact on the environment and create value for our customers and the communities we serve.

We present our report in six sections:

- **Message from the Executive Chairman**, which provides a snapshot of our commitments and key highlights from 2019.
- **Senior Management viewpoints** highlight how we are evolving, our performance and key metrics.
- **Our approach** provides an overview of the BEA Group, including our vision, mission and values, governance structure, policies and processes — including how we determine which ESG topics matter most to BEA and our stakeholders.
- **Our commitments** details why our five commitments matter, how we deliver on each commitment and our performance on each during 2019.
 - **Growing our business responsibly**
 - **Serving our customers**
 - **Developing our people**
 - **Contributing to our community**
 - **Enhancing our environmental performance**
- **Our performance** contains detailed performance metrics on indicators related to our most material topics.
- **Appendices** provides supplementary information relevant to this report.

Policies that help govern the management of our ESG topics are listed in *Relevant policy* boxes throughout the report.

Relevant policy:

[CSR Policy](#)

REPORTING FRAMEWORK

The BEA 2019 ESG Report has been produced in accordance with the Global Reporting Initiative (“GRI”) Standards, Core option, and complies with the provisions of the ESG Reporting Guide issued by Hong Kong Exchanges and Clearing Limited (“HKEX”). HKEX and GRI Content Indexes are provided on pages 62–67. This report is available online at www.hkbea.com.

REPORTING PRINCIPLES

We apply GRI’s Reporting Principles for report content and quality. Each year, we review our material topics and engage stakeholders to understand the ESG topics that are most relevant to our business and influence our stakeholders’ decision making with regard to BEA. We monitor and report on key performance indicators identified through peer benchmarking and the application of the GRI Standards framework. A comprehensive review is conducted about every five years.

We have been issuing standalone reports that cover our non-financial information since 2012. Our reporting on key metrics, including up to three years of data and figures, is restated in the event of a change of reporting boundary. Our reporting boundary has remained the same since 2017.

Performance tables are provided in our performance section of this report. A full description of our materiality process is available on pages 70–71 of this report. Past reports are available on our website.

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ABOUT THIS REPORT

REPORTING SCOPE AND BOUNDARY

The information in this report covers BEA and its major subsidiaries (collectively the “BEA Group” or the “Group”) for the period from 1st January to 31st December, 2019. Entities included are:

The Bank of East Asia, Limited (“BEA” or the “Bank”)	www.hkbea.com
The Bank of East Asia (China) Limited (“BEA China”)	www.hkbea.com.cn
BEA Life Limited (“BEA Life”)	www.hkbea.com
Bank of East Asia (Trustees) Limited (“BEA Trustees”)	www.hkbea.com
Blue Cross (Asia-Pacific) Insurance Limited (“Blue Cross”)	www.bluecross.com.hk
East Asia Futures Limited (“East Asia Futures”)	www.eafutures.com.hk
East Asia Securities Company Limited (“East Asia Securities”)	www.easecurities.com.hk
East Asia Digital Information Services (Guangdong) Limited (“EADIS”)	
Blue Care Medical Services Limited (“Blue Care”)	
BEA Union Investment Management Limited (“BEA Union Investment”)	www.bea-union-investment.com

There has been no change in reporting boundary for our 2019 ESG Report. Likewise, there have been no significant changes to our organisational size, structure, ownership, or supply chain.

WE WELCOME YOUR FEEDBACK

BEA has teams across the Group dedicated to maintaining relationships with the stakeholders we interact with on a regular basis. Our teams are eager to hear your feedback and we provide a few ways for you to contact us regarding this ESG Report and related performance:

Feedback on this report including our community investment programme: CSR@hkbea.com

Customers and suppliers: info@hkbea.com

Investors: investors@hkbea.com

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

Message from the Executive Chairman



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

A century ago, our founding partners had a vision. They believed that by providing professional banking services, they could facilitate business growth, support the local community and help Hong Kong prosper. One hundred years on, and we are as committed to this vision as when we first opened our doors.

But we are also committed to much more. The complex challenges of modern society require that businesses recognise that their actions have a profound impact on society at large. We must bring transparency and accountability to all that we do.

This past year has tested the resilience of Hong Kong. The local economy has been battered by unprecedented challenges, first by mounting US-China trade tensions, and then by escalating social unrest. Against this backdrop, our people continued to deliver service excellence in line with our vision. We worked closely with our clients to understand their needs and respond promptly. To assist customers in areas where branches were closed temporarily for safety reasons, we ensured that the Bank's e-channels were running optimally so that our clients could complete their financial transactions efficiently and in a timely manner.

To promote access to banking services, we waived monthly fees for i-Account customers and customers with low general personal banking account balances. For corporate customers, particularly small and medium enterprises ("SMEs"), we participated actively in the SME Financing Guarantee Scheme ("SFGS") and SME Loan Guarantee Scheme ("SGS") to help them weather the financial downturn.

In Hong Kong, we offered counselling and support to our staff affected by the social unrest. We engaged other banks to brainstorm how automation may affect employment in the finance sector. Going forward we aim to retrain employees whose jobs may be affected, to equip them with the technical skills to operate at a higher level of sophistication within our business. Through digitalisation and an increased focus on data and analytics, we also aim to provide more jobs that appeal to the younger generation.

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MESSAGE FROM THE EXECUTIVE CHAIRMAN

In October 2019, we implemented a new talent development framework to provide a structured and robust approach to identifying employees with strong potential to serve at the senior management and department head levels within the Bank, supporting their career aspirations, and grooming talent to assume leadership roles in the future.

These investments in our people are aimed at ensuring that we continue to deliver premium customer service and innovative banking products. Our investments in data and analytics and ongoing customer engagement provide data-driven insights that help us to meet evolving financial needs and to continually improve our services.

We are keenly aware of the need to operate in a responsible manner. This year, we assessed our ESG performance and identified several areas within our operations that can be improved in 2020 and beyond. Going forward we will integrate ESG broadly into our Group's performance scorecard, assess our ESG and climate-related risks, and set carbon-reduction targets. We have also identified opportunities in the green and sustainable finance market, and we will be exploring these in the near future.

In our centenary year, we maintained our commitment to the communities that we serve through our flagship programmes and our education, social welfare and environmental initiatives. I am proud that our people continue to embrace the spirit of volunteerism and deliver the community support for which BEA is renowned.

Our commitment to running an inclusive and responsible business means that we must adapt to change while ensuring that our clients and our staff are not left behind. Our 2019 ESG Report is an account of how we are evolving to meet the changing needs and expectations of our stakeholders. Through measured, mindful growth we aim to create value for BEA and the societies in which we work this year and in the future.

Thank you all for joining us on our journey, and I wish everyone a prosperous, successful and healthy year ahead.

Senior Management Viewpoints

In 2019, our centenary year, we reflected on how we want to progress going forward. While financial resilience and prosperity are key to our longevity, it has never been clearer that managing our environmental impacts and social contributions are also integral to our success.

Embedding these considerations in our business decisions is what ESG means to BEA. Our progress, told through the five core areas of our ESG strategy (formerly Corporate Social Responsibility (“CSR”) strategy), provides stakeholders with transparency into the way we conduct business. In this report you will find details of our approach, together with full data on indicators we record annually. This section highlights key aspects of how we are evolving, our performance, and our metrics at a glance.

TAKING GREATER CHARGE OF OUR ESG PERFORMANCE



“We at BEA are taking a much more proactive approach to managing our performance by identifying and setting goals for ESG issues that we believe will become increasingly important to our stakeholders and our business in the years ahead.”



Adrian Li

Co-Chief Executive

Brian Li

Co-Chief Executive

In 2019, BEA began developing ESG goals for 2020 and beyond, which cover a range of issues including carbon emissions target setting, responsible supply chain management, and assessment of ESG and climate-related risks and opportunities. Some of our goals have been set in response to emerging issues that are complex, and require collaboration from a number of Group members to fully understand the issues and implications to BEA.

To help ensure we achieve our goals, it is essential that we have an ESG governance structure in place to ensure accountability at every stage including target-setting,

implementation, monitoring, and reporting. We have therefore determined that our first goal will be to strengthen ESG governance at the Board level by forming an ESG Committee that will oversee assessment of our Group's social and environmental impacts. Supporting this Committee, we aim to establish an ESG Steering Group comprising general managers who will be responsible for driving BEA's ESG performance. At the broadest level, we will create an ESG Working Group, which will replace the existing CSR Working Group, and will comprise department heads who are responsible for implementing strategies set out by the Steering Group.

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SENIOR MANAGEMENT VIEWPOINTS

In addition to greater governance, we will reinforce staff accountability by integrating our ESG goals into our staff performance scorecards. To ensure our team is equipped with the skills needed to deliver on targets, we plan to provide extensive ESG training to various teams at different levels.

We believe that such a structure will enable BEA to continue moving in the right direction as a group.

MEETING OUR CUSTOMERS' DIVERSE AND CHANGING NEEDS

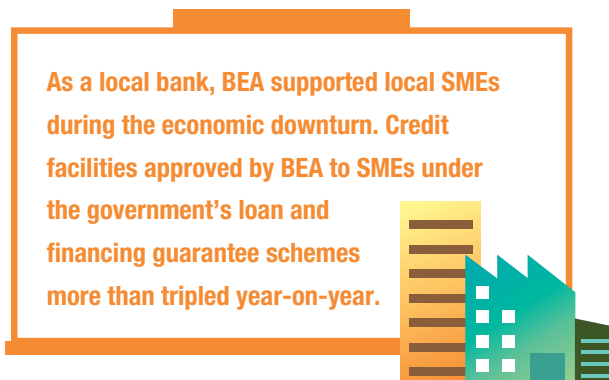
For over a century, BEA has prided itself on its service quality and implementing innovations in anticipation of evolving customer needs. Technology has increasingly allowed BEA's customers to receive banking services wherever they are and whenever they need them. This is not only convenient, but essential for customers who are unable to visit one of our branches due to mobility or health reasons.

Our achievements in recent years include the transformation of our traditional branches into a network of digitalised branches, which enables us to offer a wider range of banking services for our customers. We also relaunched the BEA App with a suite of new features including the i-Planner, which integrates day-to-day living needs with financial services. In 2019, we enhanced the value of our Corporate Cyberbanking platform for our customers by revamping the user interface and introducing a new two-factor authentication process for greater security.

What's next?

We look to the younger generation to inform our product and service development, and we frequently ask what they expect and hope for from their banking services. In June 2019, we sponsored the BEA 100 Fintech Challenge ("FinTech Challenge"), which tasked university students to come up with banking innovations. Through such engagement, we have discovered that millennials want personalised services that recognise them as unique individuals. We will rely heavily on customer data to achieve this, and a continuous enhancement of web and mobile services will promote customer stickiness.

Technology is rapidly transforming how banking services are delivered and used. To promote financial inclusion, particularly among older customers who may be less digitally-savvy than younger customers, we plan to engage with experts in the financial education field. Our aim is to ensure that all of our customers can operate and enjoy the benefits of our innovative banking services, today and tomorrow.



SENIOR MANAGEMENT VIEWPOINTS

THE PEOPLE BEHIND OUR MISSION TO ENSURE A POSITIVE CUSTOMER EXPERIENCE

“To deliver best-in-class financial service to our customers, we must ensure that we have the most qualified, dedicated staff possible; and we must have a mechanism in place to allow for seamless succession planning. This must be balanced with an understanding that customer needs evolve, for example, regarding automation and digital services, and so we must both hire and train the right leaders that will continue to take the Bank into the digital age.” – Samson Li

To help them build their careers, staff members are aided in their development of visionary thinking, strategic planning and execution, agile leadership, persuasive communication, FinTech, execution excellence, performance management, staff career planning, and management. We believe these skill sets to be the most integral to creating a successful and productive career in the current and forthcoming markets.

Our talent development framework

In 2019, a new talent development framework was formed to step up development of our future leaders in phases. A new potential identification exercise was also introduced in order to differentiate high-potential staff before they are considered as successors for key leadership roles. This will help the Bank prioritise the highest potential successors for more intensive development interventions.

As part of the new talent development framework, high-potential successors identified by the Bank will be engaged in a new talent development programme to accelerate their growth and development. Custom-made Development Centres will be conducted to help these staff members excel in their key competencies and find their development focus as they work towards their next-level role. Responsible line managers will set and track individual development plans together with high-potential staff members. An appropriate mix of on-the-job coaching and training opportunities will meanwhile cater for their development needs.



Samson Li
Deputy Chief Executive



BEA provided leadership training for managers at all levels.



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SENIOR MANAGEMENT VIEWPOINTS

OUR COMMITMENT TO THE COMMUNITY

“Through its community investment efforts, BEA has established meaningful relationships with numerous stakeholders who share our commitment to Hong Kong and understand that charitable efforts are in everyone’s best interest.”

— Tong Hon-shing

Palliative care programme

For its first flagship programme, the BEA Foundation chose to support the development of palliative care in Hong Kong. While dying is a serious and sad stage of life, we believe that it does not have to be a morbid topic. In fact, given Hong Kong’s rapidly greying population and the burdens placed on the existing healthcare system, it is important for us to examine end-of-life care. Many of our stakeholders agree, and we have received considerable recognition and praise for our efforts to help bring peace to the lives of terminally ill elderly residents. We would like to thank both “la Caixa” Banking Foundation and The Salvation Army for partnering with us in this pioneering support.

The BEA volunteer team

Many of our charitable endeavours are enacted through the BEA Volunteer Team. By the end of 2019, the BEA Volunteer Team comprised around 1,800 volunteers — equivalent to over 40% of the Bank’s total workforce in Hong Kong. In recognition of its distinguished contributions and accomplishments in promoting volunteering, BEA won the 8th Hong Kong Volunteer Award — Corporate Award, a highly coveted honour in the business community.



Tong Hon-shing
Deputy Chief Executive

Looking ahead

We at BEA will continue to focus on the three pillars of our community investment programme. We will support education through scholarship programmes and financial literacy training; our community service will continue to support disadvantaged groups via our CSR flagship projects and volunteering work; and our environmental efforts will internally save energy and waste and externally promote environmental protection awareness through activities like cleaning our beaches and mountains, and planting trees.



The BEA Volunteer Team provided support to young makers at the “Maker Day”.

SENIOR MANAGEMENT VIEWPOINTS

OUR ENVIRONMENTAL STRATEGY

BEA's major environmental impact is its consumption of energy, and over the years, we have focussed on reducing our electricity consumption while we enhance our energy efficiency. In June 2019, we completed the installation of an anti-scale water treatment system for our Head Office Building's water-cooled chiller plant, which has enabled us to reduce the chiller plant's electricity consumption by 5% and water consumption by 10%. By turning off our water-cooled chillers before the end of the workday and using the residual capacity to cool our offices for the remainder of the day, we ensure that we efficiently utilise the energy we consume. Through innovation and teamwork, we have been able to meet our annual electricity saving target for BEA's two main offices in Hong Kong each year since it was first set, in 2012.

Looking ahead

***"While using less energy is important, we at BEA realise that our sustainable future depends not only on using energy more efficiently but also on reducing our overall carbon emissions. Thus, our focus now is to identify and implement initiatives that drive carbon reductions."* — Daniel Lo**

We are pleased that for the first time, we are able to report on our entire Group's carbon emissions, for the year 2019. This will serve as the starting point for carbon emissions target setting and reductions going forward. To aid us in establishing a Group carbon emissions reduction target, we will work closely with our Group colleagues who manage our facilities in Greater China and abroad, to better understand their energy needs in the coming years as well as the opportunities to adopt cleaner forms of energy. And as we move from target setting to emissions reductions, the accountability for achieving our Group goals will be shared by all staff members of our Group.



Daniel Lo

General Manager and Head of Operations Support & Services Division



In 2019, BEA installed a self-sustaining outdoor lighting system powered by wind turbines at BEA Tower.

Our Approach to ESG —

Our Vision, Mission, and Core Values

Being a banking and financial services provider, we aim to use our expertise to facilitate the flow of capital to help our customers achieve their goals. It is through diligently meeting society's financial needs that we create long-term value and ensure confidence in our services. This focus on creating

value for our customers is embedded in our vision and mission. Every activity carried out as part of our business operations is intended to help us achieve the Group's vision, and key to this is carrying out our business in the spirit of our core values.

OUR VISION

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

OUR MISSION

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

OUR CORE VALUES



Excellence

We strive to perform to the best of our ability in everything we do, and to deliver the best products and services possible.



Commitment

We believe that taking a long-term view is key to our success. Through sound management, prudent business practices, a firm commitment to fostering a caring environment, and staff development, we strive to achieve sustainable growth and have a positive impact on our many stakeholders, including customers, employees, shareholders, and the general public.



Integrity

We expect our team to uphold the highest ethical and professional standards, be mindful of their accountability in their work, and respect our obligations to our many stakeholders including customers and shareholders.



Customer Focus

Our success depends on our ability to understand our customers' genuine needs and preferences, and to anticipate these needs and satisfy them with value-added solutions.



Teamwork

Our goals as an organisation can only be achieved if we work together as a team. We encourage our staff to look beyond their specific roles, and to work with common purpose and mutual respect.



Innovation

We encourage and empower our staff to explore ways to capitalise on market trends, grow our business, and enhance our operations. We value initiative, creativity, and innovative thinking at all levels to transform ideas into successful ventures.

Our Approach to ESG —

Our Strategy on a Page

To achieve our vision, we must understand our Bank's economic, environmental, and social impacts, and consider how our actions may influence the decisions of our stakeholders. We also need to determine how our business can be impacted by the range of ESG topics that affect the financial industry, and the topics local to the geographies in which we operate.

We need to be accountable for our decisions and actions, operate ethically and efficiently, and contribute meaningfully to society. Our CSR Policy outlines the Group's strategic approach to CSR in our five core areas. Our commitments in each of these areas address the most material environmental, social, and governance issues for our business.

Growing Our Business Responsibly



- Act with integrity, comply with applicable laws and regulations, and set the same standards for our suppliers
- Offer products and services that support small businesses, marginalised groups, and companies or projects that create value for society and the environment
- Consider ESG in our risk management process, and work with others to promote CSR

Serving Our Customers



- Provide high-quality products and ensure customers have full and accurate information to make informed decisions
- Ensure that appropriate channels for feedback are accessible and made known
- Treat all customers fairly and with respect, and provide accessible services for customers with disabilities
- Protect customer data privacy

Developing Our People



- Invest in people development and training
- Provide a safe, healthy, and inclusive working environment
- Promote equal opportunities to all employees and job applicants
- Encourage open dialogue between Senior Management and staff

Contributing to Our Community



- Leverage our resources to make a positive contribution to the communities in which we operate
- Encourage employees to connect with their communities through volunteering activities

Enhancing Our Environmental Performance



- Minimise the environmental footprint of our office buildings and branches, with a particular focus on reducing energy consumption, paper use and waste
- Promote eco-conscious behaviour in our employees, customers, and suppliers

Relevant policy:

[CSR Policy](#)

Our Approach to ESG —

Corporate Governance and Management

The Group has in place a corporate governance structure that identifies all key participants, and the ways that they relate to each other, and their roles in the application of effective governance policies and processes. These key participants include the Board, Board Committees and Management Committees, shareholders, auditors, management and staff, regulators, customers, and suppliers.

We have also established a Corporate Governance Policy that sets out a range of governance principles and practices to direct and guide the business conducts and affairs of the Group. BEA also constantly reviews and enhances the effectiveness of the Group's corporate governance practices by referencing market trends as well as the guidelines, requirements, and increasing expectations of our regulators.

THE BOARD

ESG management requires an effective governance structure and the combined effort of an engaged and well-informed staff. While everyone at BEA has a duty to contribute to our ESG performance, our governance structure assigns key responsibilities to individuals across all levels of the organisation. Ultimate responsibility for ESG rests with BEA's Board of Directors and Senior Management.

CORPORATE POLICIES

We have a suite of Board-approved policies that are fully aligned with relevant practices and standards issued by regulators as well as those considered to be industry best practices. Look for the "relevant policy" boxes throughout our report.

FUNCTIONS, ROLES, AND RESPONSIBILITIES

The Senior Management tasks the General Manager and Head of Human Resources & Corporate Communications Division ("GM and Head of HR & CCD") with engaging divisions across BEA to review existing ESG topics relevant to the Bank as part of our materiality assessment. Emerging issues are identified and evaluated, and a prioritised list of ESG topics are presented to Senior Management for their consideration and to determine areas for action. The primary parties responsible for the management of ESG at BEA are shown on page 16.

OUR APPROACH TO ESG — Corporate Governance and Management

Group function	Responsible parties	Main responsibilities
Board	All Directors of the Bank including three Executive Directors, seven Non-executive Directors, and six Independent Non-executive Directors ("INEDs")	The Board provides, inter alia, strategic guidance on the Group's ESG approach, report, and major charitable donations. In addition, the Board reviews and approves all ESG-related policies annually.
Audit Committee	Committee members, all being INEDs with one serving as Chairman	The Audit Committee reviews related policies annually, or as required, and makes recommendations to the Board.
Senior Management	Co-Chief Executives and Deputy Chief Executives ("DCEs")	The Senior Management advocates ESG at the Group level and reviews related policies, stakeholder feedback, and the annual ESG Report.
Division and Departments	General Manager and Head of Human Resources & Corporate Communications Division	The GM and Head of HR & CCD supervises BEA's ESG programme and policies, and reports directly to the Senior Management. The GM and Head of HR & CCD is also a Director of The Bank of East Asia Charitable Foundation ("BEA Foundation").
	Corporate Communications Department ("CCD")	Under the GM and Head of HR & CCD, CCD convenes the CSR Working Group and executes/coordinates the CSR initiatives of the Bank and the BEA Foundation. CCD is also responsible for communicating CSR-related information internally and externally, and for the issuance of the Group's annual ESG Report.
	Human Resources Department ("HRD")	HRD manages the Staff Relations Team ("SRT") and the Staff Sports & Recreation Club ("SSRC").
Cross-functional	CSR Working Group	Chaired by the GM and Head of HR & CCD, the CSR Working Group is comprised of representatives of the Bank's divisions, as well as major Group members, and is responsible for improving the Group's ESG performance and reporting.
	BEA Volunteer Team Committee	The BEA Volunteer Team Committee is comprised of active members of the BEA Volunteer Team, which consists of staff members of the Bank's divisions and other Group members based in Hong Kong. Under the supervision of the Committee, the BEA Volunteer Team works with non-governmental organisations ("NGOs") and other stakeholders to organise events and programmes each year for staff volunteers to join.
BEA Foundation and the Shanghai Soong Ching Ling Foundation — BEA Charity Fund ("BEA Charity Fund")		Support the Group's major community investment initiatives in Hong Kong and Mainland China, respectively.

Our Approach to ESG —

Our Material ESG Topics

How we conduct business and manage our operations has an impact on our economic performance, our employees, society, and the environment. At the same time, economic conditions as well as social and environmental factors can impact the performance of our business. Understanding our impacts and the issues most relevant to our business is key to maximising the value we create and minimising risk to BEA. Our materiality assessment is key to identifying our material ESG topics.

Our materiality process adheres to GRI. To identify the most material topics for our business, we conduct a comprehensive materiality assessment approximately every five years. We take account of global, regional, and industry trends; the requirements and expectations of our regulators; and ESG issues relevant to the markets in which we operate. We then prioritise our topics based on engagement with internal and external stakeholders. We conducted our most recent comprehensive assessment in 2017. A detailed account of our process is provided in the Additional GRI Standard Disclosures section of this report.

STAKEHOLDER ENGAGEMENT

We value regular, honest, and open dialogue with our stakeholders. Stakeholder views have directly informed our ESG strategy, helped us to identify and manage our ESG impacts, and shaped the content of our ESG reports.

In daily operations, our people build strong relationships with customers, investors, regulators, and the wider community through business interactions, meetings, events, and other communication channels. Regular engagement allows us to respond quickly to changing needs, expectations, and market developments. It helps us effectively manage risks and seize opportunities to create value for our business and stakeholders.

In the years between our comprehensive materiality assessments, we conduct an annual review of our ESG topics. As part of this process, we have systematically engaged stakeholders across our business and countries of operation every year since 2013. An independent third party is commissioned to facilitate focus groups and interviews to ensure participants can speak freely. Feedback is provided to Senior Management, who review the findings and confirm whether our material ESG topics have remained relevant.

STAKEHOLDER ENGAGEMENT IN 2019

In 2019, we engaged department heads within BEA in two focus groups to identify and discuss risks associated with our current and emerging material topics. Our approach delivered insights on internal perceptions of BEA's ESG risks and levels of preparedness. It also served to raise employee awareness and knowledge around ESG, emphasising its relevance and importance across our business. Feedback was presented to Senior Management for consideration when validating this year's ESG topics.

WHAT WE HEARD

- Everyone within our organisation has a responsibility to help manage our ESG performance.**
Refer to Growing Our Business Responsibly to learn how we are managing ESG risk at all levels of our company.
- Companies need to understand the impact that climate change could have on their business.**
Refer to climate change risk for why this is important to us.

OUR APPROACH TO ESG — Our Material ESG Topics

MATERIAL ESG TOPICS

Our materiality review confirmed that in addition to the 15 topics of high priority identified in 2017, two topics that were of growing importance are now high priority, namely climate

change risks and carbon emissions targets. These key issues continue to inform the content of our ESG reporting. We continue to strengthen our disclosure with each reporting cycle. Our materiality map links our most material topics to the five core areas of our ESG strategy.

Our commitments	Topics that are important and a high priority	Topics that will become increasingly important in the near future
Growing Our Business Responsibly	- General compliance with laws and regulations - Anti-corruption - Economic value generated and distributed - Addressing climate change risks	- Sustainable procurement - Integrating ESG considerations into risk assessment and business decisions - Responsible finance
Serving Our Customers	- Customer data privacy - Fair design and marketing of products and services - Customer feedback channels	Promoting financial literacy
Developing Our People	- Employee benefits and turnover - Employee/management communication - Training and career development - Occupational health and safety - Equal opportunity	Succession planning
Contributing to Our Community	- Financial and in-kind contributions to the community - Non-discrimination among community members	Promoting financial inclusion
Enhancing Our Environmental Performance	- Energy consumption - Paper consumption and waste - Setting carbon emission targets	

Note: Our Materiality Assessment process and matrix are presented in the [Additional GRI Standard Disclosures](#) section of this report's Appendix.

OUR APPROACH TO ESG — Our Material ESG Topics

TOPIC BOUNDARIES AND IMPACTS

Material topics ¹	Area of impact				
	Within the Group	Investors	Suppliers	Customers	Community and ecosystems
1 Customer data privacy	•	•		•	•
2 General compliance with laws and regulations	•	•		•	
3 Customer feedback channels	•	•		•	
4 Fair design and marketing of products and services	•	•		•	
5 Economic value generated and distributed	•	•	•	•	•
6 Employee benefits and turnover	•	•			
7 Communication between employees and management	•	•		•	
8 Training and career development	•	•		•	
9 Occupational Health and Safety	•	•	•	•	•
10 Equal opportunities	•	•			•
11 Anti-corruption	•	•	•	•	•
12 Non-discrimination	•	•		•	•
13 Contribution to the community	•	•		•	•
14 Energy consumption	•	•	•		•
15 Paper consumption and waste	•	•	•	•	•
16 Addressing climate change risks	•	•	•	•	•
17 Setting carbon emission targets	•				•

¹ A full description of our material topics is provided in the Appendices.

OUR APPROACH TO ESG — Our Material ESG Topics

LOOKING FORWARD, BUILDING ON OUR MOMENTUM

Through identification and prioritisation of our ESG topics, better understanding of our risks, and engaging with our broad range of stakeholders, we are continually improving our approach to ESG. Our aim is to embed our ESG management into our daily processes and internal controls.

This year, we identified a number of areas for ESG action including three priorities for action in 2020. While our Senior Management and departments across the Group have already taken action on these topics, we know we can do more and are excited to begin a journey of making further progress.

PRIORITIES FOR 2020

To embed ESG in our corporate governance	For several years, we have developed our approach to CSR, from wanting to do the right thing to defining roles, responsibilities and developing procedures through a better understanding of our ESG impacts. We recognise that as the expectations of businesses to operate responsibly heightens, our approach must continue to mature. This year we aim to assess our governance of ESG, identify areas to strengthen, and take action to further enhance ESG oversight and management throughout the Bank.
To identify and assess ESG and climate-related risks	Technological, social, and environmental changes pose risks to the financial industry that change over time. This is exemplified by the increased focus on climate-related risk since the launch of the Task Force on Climate Related Financial Disclosure (“TCFD”). In response, our regulators are enhancing disclosure requirements and have communicated their increased expectations of banks operating in Hong Kong. We are keen to ensure that our business is resilient in the face of the changing risk landscape. In 2020, we will undertake a diligent assessment of our operations in relation to ESG and climate risk that will serve as the basis for any necessary enhancement of our internal controls and help to identify related opportunities.
To set carbon emissions targets	We have in place metrics that enable us to monitor and manage the Group’s environmental performance. In light of the pressing need to reduce global carbon emissions, we will be setting carbon emissions targets in 2020. Setting emissions targets will help to shape the steps we need to take to make progress on carbon emissions reduction, and we will communicate this progress in future ESG reports and to CDP (formerly the “Carbon Disclosure Project”).

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Contributing to Our Community | Enhancing Our Environmental Performance

Our Commitments — Growing Our Business Responsibly

Our core values provide the highest level guidance for our behaviours and actions. Equally important is how we have built our business around a structure of sound governance, independence, ethics, and compliance. We recognise that our responsibilities to shareholders, customers, employees, the environment, and other relevant stakeholders extend beyond our product and service offering.

As a responsible business, BEA must ensure compliance with the laws and regulations in all places we do business and fulfil our tax requirements in those locations to support economic development. We must also consider the impacts of our decision making when selecting or engaging with customers, borrowers, and suppliers. By acting ethically and with transparency, we strengthen our brand and build confidence in our industry. By growing responsibly, we believe we can have a positive influence beyond our own operations.

OUR MAIN IMPACTS AND AREAS OF INFLUENCE

Our primary markets are Hong Kong and Mainland China, which

bring in **91%** of our operating income



94% of our 9,843 employees

are based in our primary markets



More than half

of our operating income comes from our operations in Hong Kong



WHY IT MATTERS

Despite continual year-on-year improvement in public trust in our industry, financial services remains one of the least trusted industries among the general public². As a major banking and financial services provider, we are aware of the impact we have on society and how much individuals and businesses rely on us. We understand that banking stability is crucial to building and maintaining confidence in the financial industry, protecting the assets of those who bank and invest with us, and supporting economic development.

Globally, there is declining confidence that governments will overcome some of the biggest challenges of our time, from climate change to inequality³. At the same time, the financial industry has been identified as a key player in facilitating the response to these issues through green and sustainable banking, and responsible finance. In markets around the globe, large businesses are also being pressured to take action on identifying the risk of modern slavery in supply chains and taking steps to address this issue.

MANAGEMENT APPROACH

Strength through leadership, governance, and ethics

The Group has an established robust governance structure led by a Board of Directors with a strong independent element, which is supported by an experienced Senior Management team. Our staff members are expected to act ethically, upholding the highest standards of professionalism and integrity. The Bank's Code of Conduct outlines our policies on anti-corruption and non-disclosure of insider information. Each year, all employees are required to declare that they have read, understood, and intend to comply with the Code.

ESG risk management

Our customers, investors, and regulators want to know that we are proactively managing the risks to our business. A detailed account of our governance and enterprise risk management ("ERM") is available in our 2019 Annual Report.

² 2019 Edelman Trust Barometer: Financial Services report

³ HBR, 2018, More and More CEOs Are Taking Their Social Responsibility Seriously

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OUR COMMITMENTS — Growing Our Business Responsibly

We operate in a highly regulated industry, which means compliance with laws and regulations is a priority ESG risk. The Bank's risk governance and management framework is aligned with the requirements established by the Hong Kong Monetary Authority ("HKMA") and our other regulators. Our internal control functions, including risk management, internal audit, and compliance, are properly positioned, staffed, and resourced in order for staff members to carry out their responsibilities independently, objectively, and effectively.

In Hong Kong, we are exposed to a medium-high level of money laundering risk and a medium-low level of terrorist financing risk⁴. Our Anti-Bribery and Corruption Policy Statement underscores the Bank's commitment to the highest standards of business conduct. We make every effort to ensure that our operations are conducted with integrity and in compliance with all applicable legal and regulatory requirements on Anti-Money Laundering and Counter-Financing of Terrorism ("AML/CFT"). Related policies and guidelines are clearly communicated to all employees across the Group.

All relevant staff members are required to observe our Group AML/CFT Policy and the relevant guidelines by conducting customer due diligence measures when establishing business relationships with customers; continuously monitoring business relationships to ensure that the documents, data and information relating to customers are relevant and up to date. In addition, appropriate scrutiny of transactions is carried out on each customer to ensure that the transactions are consistent with the customer's business, our risk profile, and that the source of the customer's funds is known. Any suspicious transactions identified are properly reported. All records related to customer due diligence, review, and transactions are retained according to established policies. AML/CFT training programmes are organised to ensure that staff members are aware of their legal obligations under the applicable laws and regulations, and the Group's AML/CFT-related policies and procedures. Each staff member is expected to be

familiar with and adhere to the Group AML/CFT Policy and the relevant Guidelines in relation to their roles and responsibilities.

As an added control, the Bank's Whistleblowing Statement provides a mechanism through which external stakeholders aware of malpractice can confidentially and anonymously report concerns to the Bank without fear of retaliation. The Bank regularly reviews and enhances the effectiveness of the Group's AML/CFT, Anti-Bribery and Corruption, and whistleblowing mechanisms.

Climate change risk

A changing climate poses risks to all businesses, whether from the physical impacts that a hotter planet will bring, or the transitional risks associated with averting its worst effects. Our regulators, HKEX and Securities and Futures Commission, and organisations such as TCFD have emphasised that financial institutions have:

- (a) an important role to play in addressing climate-related impacts on their businesses and their clients and in supporting the transition to a low-carbon economy; and
- (b) a duty to stakeholders to disclose how they are managing climate-related risks.

Responsible finance

Divestment from fossil fuels is now widespread as the financial industry, governments, and other groups move capital away from polluting industries, posing the risk of stranded assets and credit risk amongst others. At the same time, this presents opportunities for banks to have a positive impact on climate change by facilitating the flow of capital to help meet the Paris Agreement goal of restricting global heating to below 2°C by the end of the century.

In line with our environmental policy, we are exploring the integration and consideration of a number of environmental criteria into our business decisions and within the services

⁴ [Hong Kong Money Laundering and Terrorist Financing Risk Assessment Report](#)

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OUR COMMITMENTS — Growing Our Business Responsibly

that we provide. This is inclusive of furthering our understanding of climate change risks and support of efforts to restrict our impact on global heating.

In response to growing expectations among stakeholders for financial institutions to include ESG considerations in financing decisions, we have enhanced our lending policies and increasingly incorporated climate-related risk assessment in the way the Bank manages and oversees its probable impact on our communities and the integrity of the financial system.

Before approving any credit proposal, the Bank screens for risks related to ESG and conducts thorough due diligence. The Bank's sector-specific ESG assessment criteria ensures that due diligence based on social and/or environmental risks is conducted before lending is approved. Sectors that we scrutinise closely include energy, forestry, mining, oil and gas, and chemicals. If an ESG issue is flagged, our teams review company disclosures, ESG ratings, media coverage, and other background material before concluding a lending decision. In addition, we will liaise with the potential customer and conduct a site visit if necessary, to ensure that we fully consider the risks and regulatory compliance from an environmental protection perspective, and that necessary mitigation measures are in place. Lending decisions accommodate our customers' increasing commitment to a low-carbon business segment.

BEA China has established a Green Credit Management Policy, which has been developed in accordance with local regulations, to underpin the Bank's responsible finance services on the Mainland China. Through client rating, credit approval, portfolio management, and exit decisions based on environmental considerations, we support the development of environmentally responsible business. To promote green credit, BEA China regularly reviews its credit strategies, as appropriate, to support more environmentally responsible businesses.

Promoting sustainability in our supply chain

The Group's primary suppliers include providers of information technology and telecommunications services, premises and equipment, legal and professional advice, advertising services, and communications, stationery, and printing. We are committed to supporting local economies, and the majority of our suppliers are located in our countries of operation.

Earlier reviews have highlighted that, although we aim to encourage improved environmental, social and governance performance in our supply chain, our decentralised procurement function at the Group level has made this challenging. As a first step to address this challenge, we implemented a Supplier Code of Conduct.

Our Supplier Code of Conduct outlines the Group's requirements and expectations for the social and environmental performance of suppliers. It also aligns with the values and principles of the United Nations Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organisation.

The Code requires all of BEA Hong Kong's suppliers to adhere to the highest standards of social conduct, abide by all relevant local and national environmental legislation, and demonstrate continued improvement in overall sustainability performance. Suppliers must also satisfy our requirements in the following areas:

- Social and Ethical Standards of Conduct;
- Conditions of Employment;
- Environmental Protection; and
- Community Investment and Relations.

OUR COMMITMENTS — Growing Our Business Responsibly

ENTERPRISE RISK MANAGEMENT (“ERM”) FRAMEWORK

The Group’s ERM framework has been approved by the Board of Directors. The framework is promulgated with the objectives of identifying and managing potential risks in a holistic and effective manner; fulfilling higher expectations from HKMA for risk management of the Group as a Domestic Systemically Important Bank, and reinforcing the “three lines of defence” risk management model.

Under the ERM framework, the Group faces 12 principal risks, namely credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk, strategic risk, legal risk, compliance risk, technology risk, business continuity risk, and new product and business risk.

A “three lines of defence” risk management model has been adopted to ensure that the roles and responsibilities in regard to risk management within the Group are clearly defined among the risk owners:

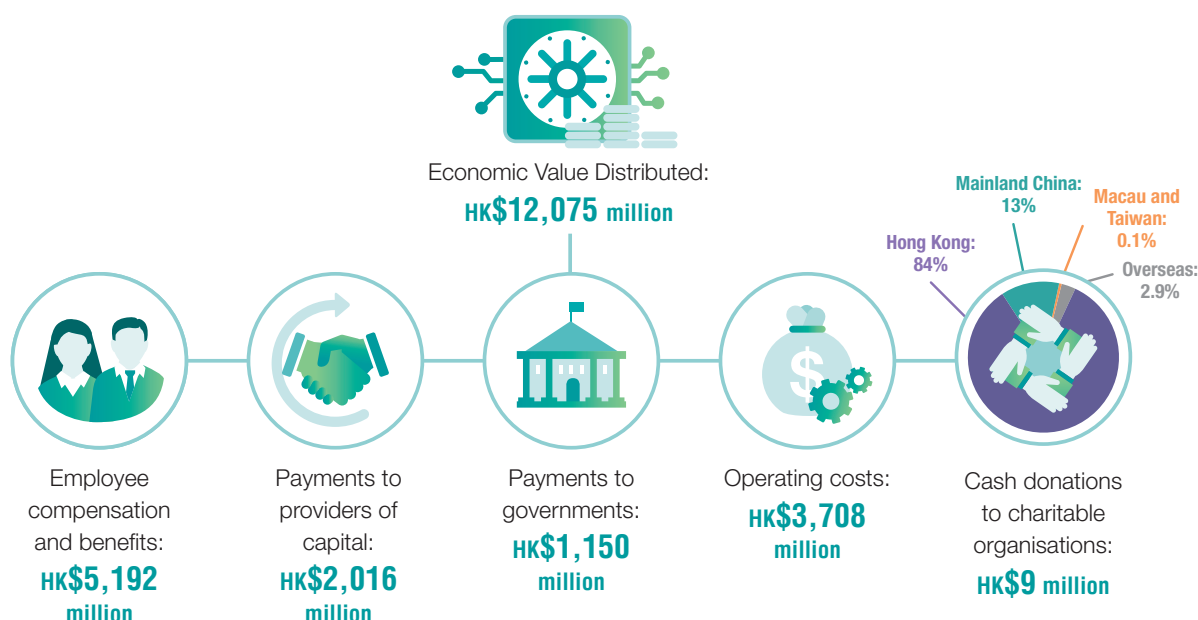
1 st line of defence	Risk Owners: Division heads (or department heads for departments not under a division) at Head Office and heads of significant subsidiaries, together with staff under their management	Primarily responsible for the day-to-day management of their units, including, establishing and executing specific risk control mechanisms and detailed procedures
2 nd line of defence	Risk Controllers: Designated division/department heads at Head Office, supported by their respective divisions/departments	Responsible for setting out a risk management governance framework, monitoring risks independently, and supporting the Management Committees in their oversight of risk management
3 rd line of defence	Internal Audit Division	Responsible for providing assurance on the effectiveness of the Group’s risk management framework, including, risk governance arrangements

OUR COMMITMENTS — Growing Our Business Responsibly

RESPONSIBLE VALUE CREATION AND DISTRIBUTION

Recent high-profile statements from business leaders and political figures across the globe have reinforced the principle that the fundamental aim of a business should be to generate economic value in an ethical and responsible manner for all of its stakeholders. Businesses must also make responsible choices in how this economic value is then distributed.

How our economic value is distributed



Our economic performance tables are provided in our performance section of this report, and in our 2019 Annual Report.

SLAVERY AND HUMAN TRAFFICKING STATEMENT

Recent estimates put the number of people in modern slavery at over 40 million*. In response to this global challenge, seven G20 countries including the UK have formally enacted laws, policies, or practices to stop business and government sourcing goods and services produced by forced labour.

The UK Modern Slavery Act is one of the most far-reaching pieces of legislation in the world addressing issues of modern slavery. It consolidates current slavery and human trafficking offences, and introduces new preventive measures, support systems, and a regulatory body.

As a responsible business with operations in the UK, BEA has issued a public statement on slavery and human trafficking, in line with the UK's Modern Slavery Act 2015. We prohibit slavery and human trafficking in our business and supply chain and will not knowingly support or conduct business with organisations involved in modern slavery. We are committed to training our people, conducting sufficient due diligence, working with our suppliers, and developing practical performance measures to monitor our progress in this regard.

* www.globallslaveryindex.org

OUR COMMITMENTS — Growing Our Business Responsibly

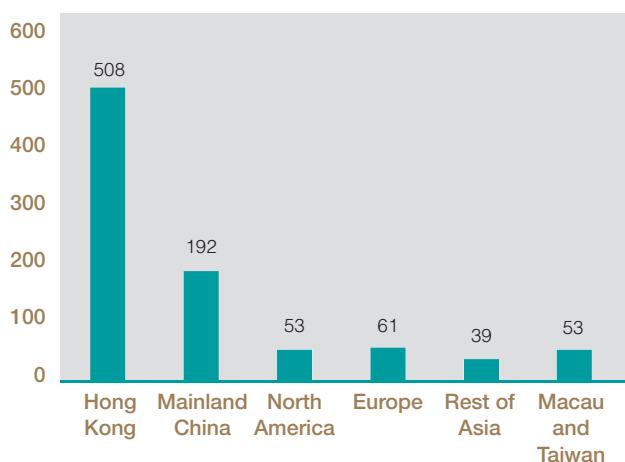
Responsible supply chain management

In 2019, BEA strengthened its supply chain management by integrating its Supplier Code of Conduct into its procurement process. In addition, employees responsible for procurement employ an ESG risk calculator to conduct supplier ESG risk assessments. The tool, designed to enhance due diligence, assesses suppliers based on geographic and product risk amongst other criteria. BEA plans to enhance its ESG risk calculator in 2020 to enable its overseas branches to conduct similar assessments in the future.

Looking ahead, the Bank aims to create a centralised responsible procurement toolbox, which all procurement staff can access via the Bank's Corporate Information Sharing Platform. In addition to containing procurement guidelines and the Supplier Code of Conduct, the toolbox will contain training videos and other tools that will help ensure that all staff fully understand how to assess suppliers for ESG risks and which standard operating procedures to follow. This comprehensive approach is aimed at ensuring that the Bank partners with socially and environmentally responsible suppliers and encourages other suppliers to adopt best practices.

Number of suppliers by geographical location

(contract value ≥ HK\$50,000 or equivalent per year)



Relevant policies:

- [Anti-Bribery and Corruption Policy Statement](#)
- [Shareholders Communication Policy](#)
- [Slavery and Human Trafficking Statement](#)
- [Statement on Anti-Money Laundering and Counter-Financing of Terrorism](#)
- [Supplier Code of Conduct](#)
- [Whistleblowing Statement](#)

2019 PERFORMANCE

- Our Procure-to-Pay Guideline was implemented in February 2019. The guideline strengthens our supply chain sustainability efforts by integrating our Supplier Code of Conduct into Group procurement. Prospective suppliers must comply with the Code as a condition of business.
- In October 2019, BEA engaged a leading supply chain consultancy to conduct training for Group members on how to conduct an ESG risk assessment of our suppliers, with particular focus on inherent geographical ESG risks and customer-facing products and services.
- In 2019, BEA participated in two new syndicated loan projects: one related to wind power projects overseas and another related to the development of a local hotel, which received a “Gold” rating in the Provisional Assessment under the BEAM Plus Assessment for New Buildings.

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Our Commitments —

Serving Our Customers

Customer focus is one of the core values of the Group. For a century, our business has thrived by delivering quality products and services with integrity, while innovating to meet the diverse and evolving needs of our existing and prospective customers.

CUSTOMER SERVICE EXCELLENCE

Why it matters

Our success as a business depends on our ability to understand the behaviour of our customers, and meet their changing needs and preferences. Furthermore, the improvement of consumer trust in our industry⁵ must not be taken for granted. Our customers and investors expect us to act in an ethical manner, in compliance with all relevant laws and regulations, and with adequate measures to control material risks. Increasingly, the focus is on how banks manage data privacy and security. Traditional banks are continually expanding their digital footprints and in 2019, the HKMA announced eight virtual banking licences, reflecting continuing growth in the FinTech industry.

Against this backdrop come reports that cybersecurity attacks on the financial services sector are on the rise⁶. The impact of data breaches on consumer trust in banking institutions cannot be overstated. As treasurers of our customers' data we have a responsibility to ensure our systems are fit for purpose and our staff act with probity.

Management approach

Our banking services are developed with customer expectations embedded in their design. We strive to deliver an excellent customer experience regardless of banking channel. Customer feedback is not only valued, it is integral to meeting expectations and cultivating customer trust.

We operate multiple channels of communication to cater to our customers' varied preferences. Customer suggestions

and shared opinions help us shape our customer service in a manner that delivers the service quality that is expected.

Privacy is a consideration at every stage of our product development and service delivery. We conduct privacy risk assessment to identify and detect any potential data privacy risks, while mitigation measures are developed to ensure the identified risks are addressed. Through staff training, including on cybersecurity, we have developed a culture of compliance with data privacy and security laws at its centre.

Meeting customer expectations

How our customers use our services should not affect the level of service they experience. We continually review customer experiences to enhance our service quality. Customers can communicate their opinions and make claims and enquiries in a manner that is convenient to them.

Staff at every branch of our extensive network are ready to listen. We also encourage customers to fill in suggestion forms at our branches. In addition, an enquiry e-form is available via our website, and we have dedicated customer service hotlines for those who prefer to engage with us online or by phone. All feedback and complaints are reviewed and responded to promptly in accordance with guidelines governing the handling of customer enquiries established by the HKMA.

Over the past four years, our Customer Experience Research surveys conducted by an external consultant have indicated that how we manage our environmental and social impacts is important to our customers and the general public. In response, we have enhanced our key communication channels to keep our customers well informed about our ESG performance. Our ESG reporting continues to mature alongside our approach to ESG, and our media efforts provide customers with updates throughout the year.

⁵ [2019 Edelman Trust Barometer: Financial Services report](#)

⁶ [FT.com, Cyber attacks on financial services sector rise fivefold in 2018, Feb 2019](#)

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OUR COMMITMENTS — Serving Our Customers

Embracing technology and innovation

BEA has a long history of embracing technology. We were the first bank in Hong Kong to operate a fully digitalised branch network, which creates efficiencies and enables us to deliver fast and secure banking services to our customers in every neighbourhood. Closer still are the smartphones that our customers carry with them throughout the day, and we continue to roll out new features and enhancements to the BEA App and via our online platform. As a reflection of our commitment to delivering greater value through technological advancements, we established a Digital & Innovation Office in 2019 to bring our digitalisation to the next level.

Ensuring customer privacy and data security

Protecting our customers' data and privacy is of paramount importance to us. We have policies and guidelines in place to ensure customer satisfaction and protect personal data. Our Privacy Policy Statement outlines our approach to the collection and retention of personal information in accordance with our regulator.

The Bank fully complies with the Hong Kong Personal Data (Privacy) Ordinance. Each year, all staff members are required to successfully complete a refresher course on personal data protection. The Head of BEA's Compliance Division serves as Group Data Protection Officer. Other Group members make reference to the Bank's approach, defined in our General Guideline on Personal Data Protection, to develop their own personal data protection policies and procedures. Both our Privacy Policy Statement and General Guideline are subject to annual review.

We continually invest to improve our security measures. Around 95% of personal banking financial and non-financial transactions are made via online and automated channels. We leverage this platform to communicate key security updates to our users in order to keep them informed and their data secure.

Next generation customers

Mobile technology continues to revolutionise the global banking and payment industry. Many of our customers, particularly our younger customers, expect convenient, fast, and secure banking to be available through their mobile phones. The BEA App offers an all-round banking service with a host of innovative features. In addition to checking account balances, paying bills, and exchanging currencies, customers using the BEA App can make instant transfers to other banks in Hong Kong using the Faster Payment System ("FPS"). Introduced to Cyberbanking and BEA App customers in 2019, FPS enables customers to make Hong Kong dollar and Renminbi transfers in real-time without any inter-bank handling fees. For customers interested in retail wealth management products, BEA App Mobile Wealth offers comprehensive investment services.

In 2019, BEA also launched the BEA Flash mobile account opening app, which allows customers to open a bank account with BEA securely and quickly, within six minutes. The Bank aims to launch a Live Chat messaging service in early 2020 to enable BEA Flash customers to connect with the Bank's customer service representatives for enhanced assistance in opening bank accounts outside branches.

Relevant policies:

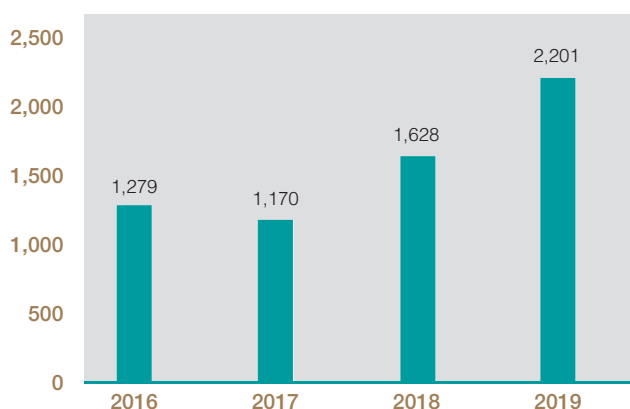
- Information Security Policy
- [Privacy Policy Statement](#)
- Staff Code of Conduct (internal)

OUR COMMITMENTS — Serving Our Customers

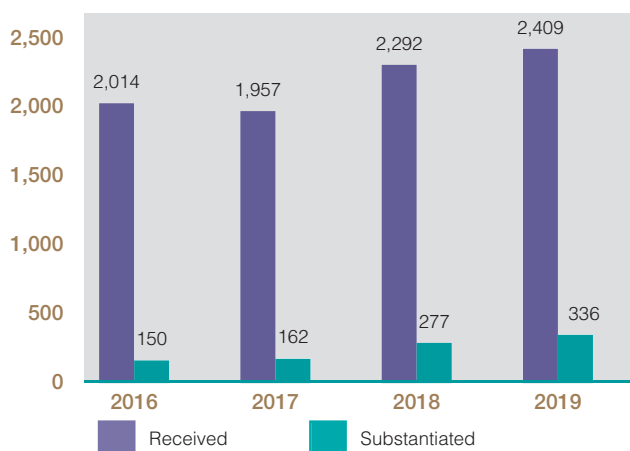
2019 PERFORMANCE

Group customer service feedback

Number of compliments



Number of complaints



- In 2019, the Group received 2,201 compliments and 2,409 complaints from customers in regard to products and services, an increase of 35% and 5%, respectively, compared with 2018.
- Group members report that compliments received were related to good service delivery by our staff. This year, our branches in Singapore saw a significant increase in customer compliments of 87%. The increase is due in large part to Singapore Branch's implementation of a structured customer compliments framework and revised feedback form in September 2018.
- After investigation, the total number of substantiated* complaints amounted to 336, or a 21% increase over the figure reported for 2018. The increase was due in part to a capacity issue of the Bank's system in generating one-time passwords for BEA Credit Cardholders using priority booking service to purchase May Day Concert tickets. The Bank apologised to affected customers and took steps to prevent a recurrence of such an incident. Other substantiated complaints were on topics such as administrative problems or customer services. All were handled in line with our internal procedures and relevant regulatory complaints handling requirements.

* Substantiated complaints are those where proof/competent evidence in the investigation conducted by the Bank that supports the complainant's allegation.

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OUR COMMITMENTS — Serving Our Customers

MEETING DIVERSE CUSTOMER NEEDS

Why it matters

Since its founding 100 years ago, to serve the local community, BEA has grown together with the people of Hong Kong. We feel we have a duty to the local population and are purpose-driven to ensure underserved people in our communities also have access to financial services; a key focus of our regulator⁷.

To increase access and deliver high levels of customer satisfaction, we must respond to shifting preferences. This means maintaining an extensive network of outlets, preferred by older demographics, while providing recommendable services both digital and in-person, to respond to the needs of millennials⁸. Our own market research has also shown that ESG performance is increasingly being seen as a differentiator when consumers are choosing with whom to bank.

Management approach

At BEA, we see customer experience excellence as our competitive advantage. In the face of increasing competition, we listen carefully to what our customers want, and strive to provide them with best-in-class service to ensure positive customer experiences.

We established a foundation for excellence by committing to the principles of transparency, reasonableness, and efficiency as a signatory to the Treat Customers Fairly Charter ("TCF Charter"). In 2019, we strengthened our commitment by establishing a TCF Steering Group headed by the Deputy Chief Executive and Chief Operating Officer, which meets on a quarterly basis to discuss ways BEA can continue to improve customer experience.

We are assisted in our effort to deliver best-in-class banking services by making significant investments in advanced technology. The rapid digital transformation of the financial industry has provided the Group with an opportunity to extend its product and service offerings. Technological advances improve access to our services and build upon our extensive network of outlets. Today, about 95% of BEA's financial and non-financial banking transactions in Hong Kong are performed via e-channels.

We also dedicate substantial resources to research, which enables us to understand how our distinct customer groups use our services today and what they want to see going forward.

Senior citizens and customers with special needs

Physical branches are a mainstay of daily banking transactions for many in our society. We provide convenient access to our services by operating an extensive branch network across Hong Kong. Specially designed teller counters and automated teller machines ("ATMs") are installed across our branch network to assist customers requiring wheelchair access, visual or auditory support, and other assistance.

Examples of our commitment to seniors include:

- Preferential interest rates;
- Service charge concessions;
- Fee waivers⁹;
- Hong Kong Mortgage Corporation ("HKMC") Reverse Mortgage Programme; and
- FastCash Card abridged ATM banking service.

⁷ www.hkma.gov.hk

⁸ 2019 Consumer Digital Banking Survey, PwC

⁹ Participants of the Comprehensive Social Security Assistance Scheme only

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OUR COMMITMENTS — Serving Our Customers

Customers in remote areas

We feel a duty to our customers to provide access to our services in places local to them. In some instances, this may present us with logistical challenges. However, we remain committed to our customers in remote areas through:

- Extended operating hours through i-Teller virtual counter services; and
- Enhanced banking services through multi-functional ATMs.

In addition, customer needs and development in remote communities will be monitored on an ongoing basis and service arrangements will be adjusted as appropriate.

Our commitment to local business

In Hong Kong, our major market, SMEs account for 98% of all businesses¹⁰. We recognise their importance to the economy, and offer a suite of services aimed at supporting these enterprises in their pursuit of new markets, product line expansions, and business development.

We enable businesses to establish and grow through our HKMC Insurance Limited-backed commercial loan products provided via the SME Financing Guarantee Scheme. In addition, our SME Loan Guarantee Scheme, supported by the Hong Kong Government, provides access to capital for business installations and equipment.

The i-Payment Hub provides a comprehensive solution for accepting multiple payments through a variety of digital payment methods and managing different types of transaction records. This functionality brings a range of benefits to users and their customers across a variety of industries, including greater convenience, reduced operating costs, and enhanced cash management.

In 2019, we launched our new Enterprise Banking Department with a primary focus on serving SME customers. The dedicated teams of the new department assist SMEs on financing matters, and address their business banking from account opening, to cash management and treasury and insurance services.

Microfinance

Our microfinance programmes combine our social values with a viable business strategy. We support our customers in reaching their goals through our continued participation in the HKMC Microfinance Scheme.

Through better access to capital, our customers have:

- Become business owners;
- Made the transition to self-employment; and
- Invested in their careers.

Non-governmental organisations

We recognise the importance of charitable donations reaching their target beneficiaries. Our Online Donations Services, developed in collaboration with the Hong Kong Council of Social Services ("HKCSS"), have proven to be a highly efficient and low-cost way for NGOs to collect donation payments from their websites using the Bank's payment gateway. In addition, we offer NGOs a special package of banking and insurance services including preferential rates and a suite of banking services for their employees.

¹⁰ [Source: Legco \(2018\)](#)

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OUR COMMITMENTS — Serving Our Customers

2019 performance

- BEA made several system enhancements during the year under review to enhance the value of Corporate Cyberbanking for the Bank's customers. These include a revamp of the user interface with new features such as a handy account overview and notice board; the launch of the i-Token, a new two-factor authentication process for mobile customers; and the introduction of an online account-opening platform that enables users to open a CorporatePlus Account more quickly and easily.
- During the period of social unrest in Hong Kong, the Bank endeavoured to maintain a sufficient number of branches in operation to support customers' needs while taking personal safety concerns into consideration.
- A wide range of retail wealth products were made available via mobile in the second half of 2019, including unit trusts, linked deposits, and short-term life insurance. In addition, the Bank launched BEA Flash, a new app for remote account opening.
- The Bank is developing a more personalised, comprehensive, and user-friendly digital platform to enhance interaction with high-net-worth clients. A client version of the Bank's internal portfolio management application has been added to the BEA App for the exclusive use of Private Banking customers.
- To promote financial inclusion, BEA began waiving monthly service fees starting from August 2019 for i-Account and general personal banking account holders whose total average daily balance falls below HK\$5,000.
- BEA has formed strategic alliances with a number of external service providers, enabling the Bank to integrate with their ecosystems and leverage open APIs to share product information and process applications. BEA will continue to work with digital partners to expand its scope of service and extend its reach to new customers.
- In April, Blue Cross launched a mobile app featuring a market-first blockchain-enabled medical claims service followed by a chatbot service in December. The new mobile app saw more than 53,000 downloads in the first nine months following its launch, with an activation rate of 67%. The app supports sales, renewals, and claims for a range of personal insurance products.
- To encourage customers to set aside more funds for retirement, BEA launched a Tax-deductible Voluntary Contribution ("TVC") account for MPF clients in April. In addition, six briefing sessions were held to introduce the features of TVC accounts to BEA staff members. By the end of 2019, more than 350 staff members had opened TVC accounts.



BEA formed a strategic alliance with a series of partners, leveraging the power of API to bring new banking experiences to customers.

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Our Commitments —

Developing Our People

Our people deliver the products and services that enable BEA to be the preferred banking partner of our customers. By providing a fulfilling and supportive work environment for our staff, we create the foundation for our people to serve our customers and other stakeholders effectively. We therefore invest in building a workplace where employees feel engaged, valued, and motivated.

9,843 employees at the Group as at 31st December 2019

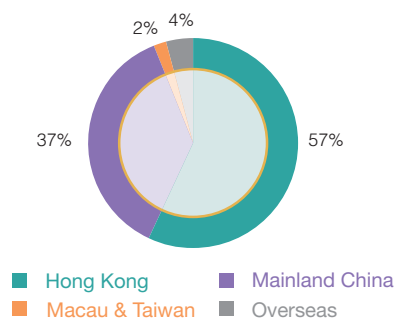
HK\$27.3 million invested in training and development in 2019

9.2 years of service on average for BEA Hong Kong employees

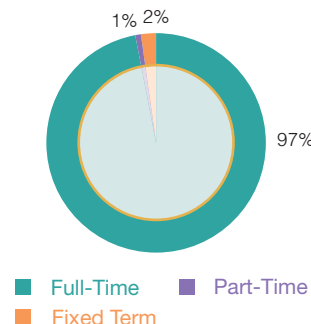
HK\$5.19 billion spent on employee compensation and benefits

2.7% fall in turnover rate for permanent full-time staff

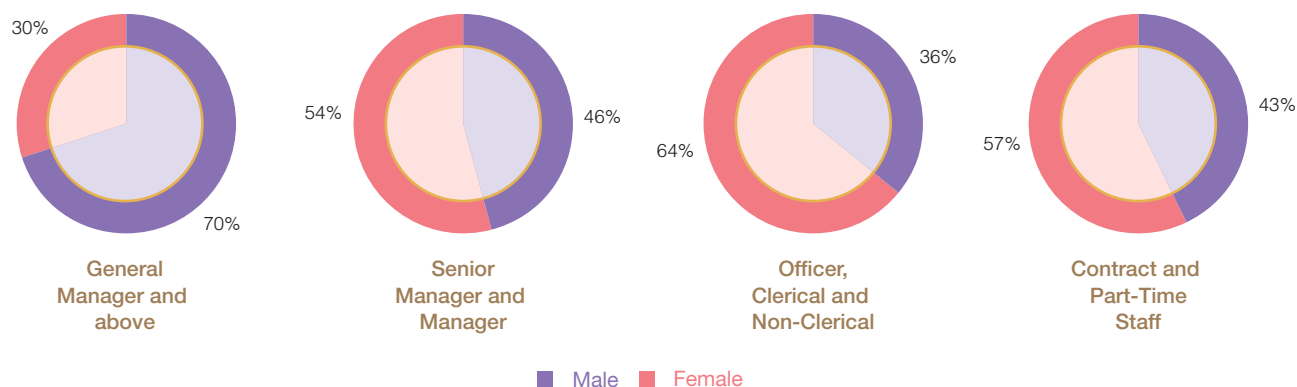
Employees by region



Employment by contract type

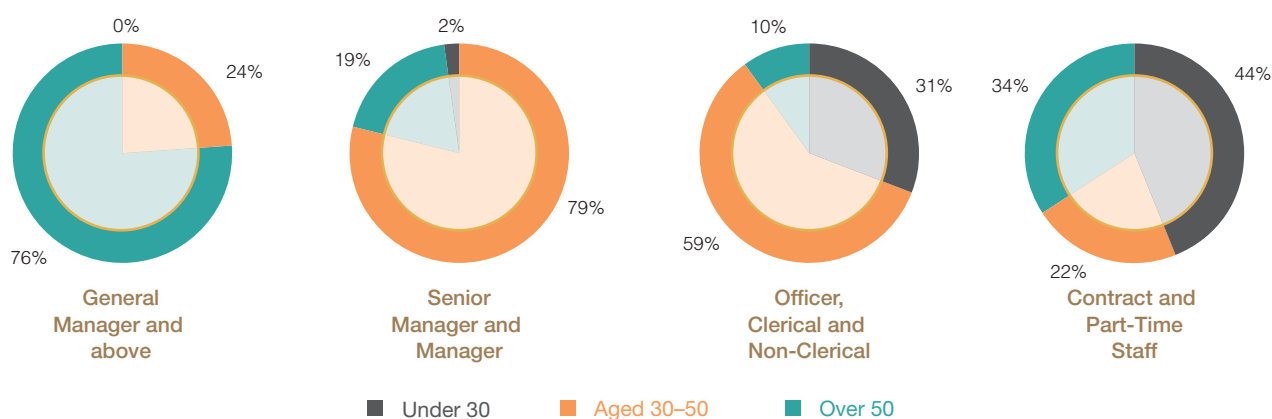


Employees by gender



OUR COMMITMENTS — Developing Our People

Employees by age group



RECRUITING AND RETAINING THE RIGHT PEOPLE

Why it matters

To deliver the level of service and financial products our customers expect, we need a dedicated, motivated, and capable workforce. However, turnover in the financial services industry is typically high. According to independent research, the turnover rate for employees in the banking sector who voluntarily leave service was 16.7% in 2019 – and this does not include employees who involuntarily leave service due to termination, dismissal, and retirement. In addition to facing fierce competition in searching for and attracting talent to the Group, we are also under tremendous pressure to retain our staff and develop a strong pool of talent to outperform other financial institutions in the industry.

Management approach

BEA aims to provide an attractive environment for our colleagues to work in and develop their careers. To attract the best candidates, we provide competitive remuneration and comprehensive benefit packages that include medical and life insurance, paid leave, retirement plans, and preferential rates on a range of banking services. We track voluntary turnover and conduct exit interviews to monitor and evaluate our performance.

In addition to building a workplace where employees feel engaged, valued, and motivated, we provide development opportunities that enable people to grow within the company. We complement this by inviting employees to join various volunteering and charitable activities in alignment with the Group's core values and its employee value proposition.

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OUR COMMITMENTS — Developing Our People

2019 Performance

This year, the Group recorded an overall turnover rate for full-time employees (including both voluntary and involuntary leavers) of 18.1%, a decrease of 2.7% year on year. Turnover by male employees fell by around 2% and for females by more than 3%. We also experienced a decline in turnover across all age groups for our permanent full-time staff. These positive figures point to the value of ongoing engagement and investment in training.

INVESTING IN TRAINING AND DEVELOPMENT

Why it matters

People today expect employers to provide opportunities for development. Recent research has shown that a staggering 93% of employees would stay at a company longer if it invested in their careers¹¹. By supporting the professional and career growth of our colleagues, we show that we value the contribution of every individual staff member. And by committing themselves to ongoing professional development, our staff members are better able to serve the evolving needs of our customers in today's rapidly changing world.

Management approach

BEA offers a wide range of online and in-person training courses, from beginner to advanced. We strive to equip staff members throughout the Group with the skills they need to meet their full potential. We also provide subsidies to employees who take accredited courses outside the Bank.

We ensure that every member of staff is provided training in modern business risks, such as cybersecurity, money laundering, and terrorist financing risks. Training also focusses on product and financial knowledge, leadership and management skills, customer service and sales experience, and operational know-how.

2019 Performance

In 2019, we invested over HK\$27 million in staff development. We delivered over 41 hours of training on average to employees at all levels of the Bank, equipping them with the skills needed to serve our customers and support the development of the Group.

In October 2019, the Bank implemented a new talent development framework to support staff members in their growth. The framework provides a structured and robust approach to identifying employees with strong potential to serve at the senior management and department head levels within the Bank, supporting their aspirations for growth and development, and grooming talent to assume future leadership roles. With this framework in place, a new potential identification exercise and a refined succession planning exercise were completed during the year under review. In 2020, the Bank aims to launch a series of new talent and leadership development interventions.

At the same time, BEA continued to groom young talent under existing programmes, including the Management Trainee, Corporate Banking Trainee, Operations Trainee, Relationship Manager Trainee and Branch Operations Trainee programmes.

A new leadership training programme on performance management was conducted for the Senior Management and their executives. The training was designed to foster a collaborative mindset when setting strategic goals, and to sharpen necessary skills, ensuring that these goals are tied closely with the Bank's core objectives, are well-aligned across different business units and functions, and are effectively cascaded down the organisation.

¹¹ [LinkedIn 2018 Workforce Learning Report](#)

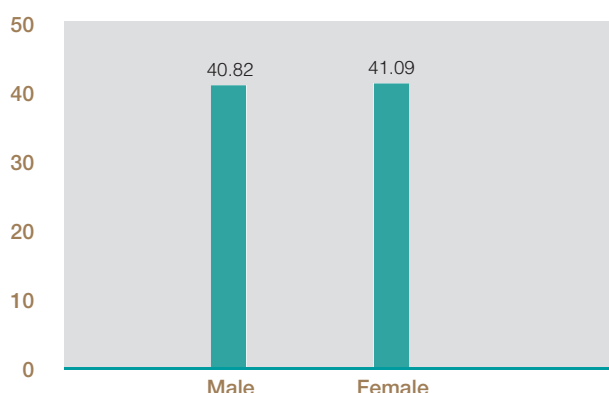
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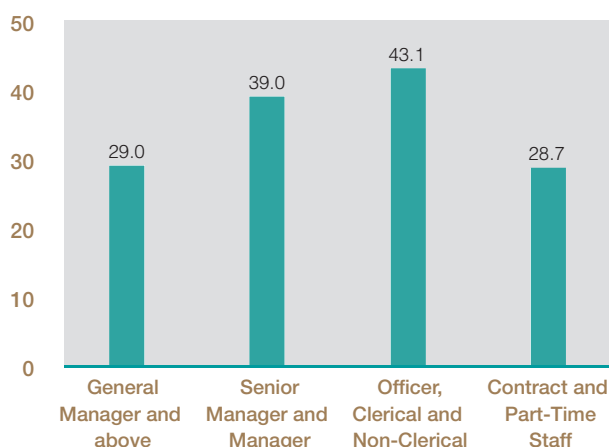
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OUR COMMITMENTS — Developing Our People

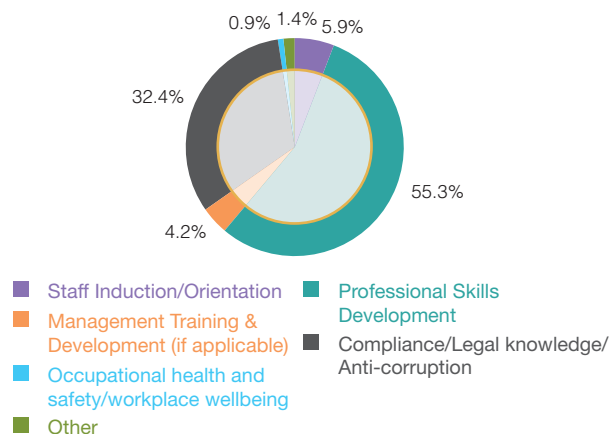
Average hours of training by gender



Average hours of training by employee category



Types of training



ENGAGEMENT AND CULTURE

Why it matters

Employee engagement has become a top business priority in recent times as a high-performing workforce is vital for growth and success¹². At BEA, it communicates how much we value the contribution of each employee. It enhances each employee's understanding of the importance of their role and the contribution that they make to the Group's success. Engagement also helps to develop a culture of inclusivity that makes colleagues feel welcomed and considered, inspiring them to do their best for company and customer.

Management approach

To foster a positive working culture characterised by equality, opportunity, and respect, we:

Promote equal opportunities, diversity, and inclusion

At a foundational level, we comply with all applicable ordinances in Hong Kong and elsewhere regarding equal employment opportunities. Our Equal Employment Opportunity Policy guides us as we build an inclusive workplace where performance is assessed on professional ability and staff members from all backgrounds are empowered to reach their full potential.

Promote family-friendly initiatives

We are keen to support new mothers and provide them with relevant amenities when they return to work. To ensure we cater for nursing mothers, we provide lactation rooms in BEA's Head Office as well as at BEA Tower.

12 [HBR, The Impact of Employee Engagement on Performance](#)

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OUR COMMITMENTS — Developing Our People

Promote a healthy work-life balance

A physically and mentally healthy workforce is required to maintain the high standards that we at BEA have set for ourselves. We provide comprehensive health insurance, free access to a staff gym, and healthy lunch options in staff canteens. In addition, wellness talks, sports, and recreational activities were organised by the SRT and SSRC for staff throughout the year.

For those in need, we provide an Employee Assistance Programme that gives staff and their family members access to professional counsellors in person, by telephone hotline, or via email, 24 hours a day.

2019 Performance

In 2019, the Bank continued to build a strong corporate culture based on prudent risk management and a commitment to ensuring a positive experience for every customer. To set the tone from the top, the Bank's Senior Management team conducted town hall meetings in Hong Kong and Shanghai during the year under review to further strengthen our staff members' awareness of the importance of risk management, reinforce managers' roles in fostering a healthy risk culture, and encourage all staff members to report potential risks and inappropriate behaviour.

The Staff Recognition Scheme was promoted more actively to encourage staff members to express gratitude to colleagues via e-Thank You cards. Staff members who demonstrated positive behaviour that reinforces the Bank's core values were also recognised through "Employee of the Quarter" and "Employee of the Year" Awards. Interactive town hall meetings led by members of Senior Management were also conducted to encourage open communication, discuss lessons learned from real cases, and strengthen the Bank's risk culture. The Bank experienced a significant increase in the number of awardees in 2019.

To further show its care for its employees, the Bank enhanced its medical benefits for employees during the year under review.



BEA organised ESG workshops for staff members at various levels to foster greater awareness of ESG concepts and issues.

Our Commitments —

Contributing to Our Community

BEA is deeply connected to our local community. We believe that the continued success of our business is intrinsically linked to the well-being of the community, and its trust in us as a community member. Our commitment to the communities that we serve is a core component of our ESG strategy.

Why it matters

Income inequality, aging populations, access to healthcare and other social issues are of deep concern in Hong Kong, on the Mainland China, and across the globe. Addressing these challenges is an important element of BEA's CSR Policy. We not only help those in need; we build trust and enhance relationships, contributing to the strength of our communities and our Bank.

Management approach

Our community investment approach is founded on the principle of delivering significant positive impact for the people in the communities we serve as well as the environment. This has resulted in the development of an overarching framework comprising the three pillars of education, social welfare, and the environment. From our experience as a bank, we have learned that collaboration is key to finding solutions and moving forward. We therefore apply this approach to each of these pillars.

Our Community Investment Guidelines ensure that the projects we support are in line with our CSR Policy. The Bank and the BEA Foundation use these guidelines to work with local partners in different markets to discern community needs and identify and prioritise programmes that best address those needs. We provide support in three main ways:

- **Community giving** through financial and in-kind donations, both directly from Group members and from our two charitable foundations — the BEA Foundation in Hong Kong and the BEA Charity Fund in Mainland China — to registered charities and non-profit organisations.

- **Employee and customer giving, and volunteering** through our local volunteer teams and campaigns enhances relationships, builds social capital, and enables our people to become more familiar with the challenges faced by others. We provide employees with opportunities during business hours to use their time and skills to support those in need.
- **Leveraging our business network and sphere of influence** to encourage our partners, clients, customers, and their families to participate in our programmes and events.

Relevant policies:

- [CSR Policy](#)
- Community Investment Guidelines

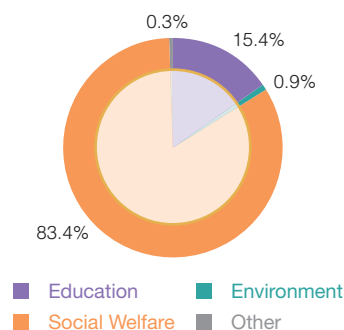
2019 PERFORMANCE

HK\$9 million in cash donations from the Group

HK\$7.98 million in donations through the BEA Foundation and BEA Charity Fund

29,545 hours contributed by corporate volunteers

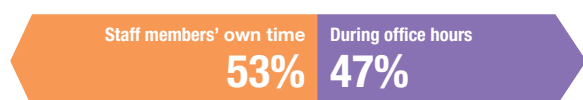
Our donations in 2019



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OUR COMMITMENTS — Contributing to Our Community

Employee volunteering hours



HONG KONG

EDUCATION

- In recognition of BEA's contribution in enhancing financial education and improving financial literacy in Hong Kong, BEA had been named Financial Education Champion by the Investor Financial Education Centre ("IFEC") for the second year in a row.
- With the aim of providing financial education to people of all ages and backgrounds, BEA organised more than 10 financial literacy workshops for underprivileged families, the elderly, and students, teaching the importance of good saving habits and wealth management.
- Over 150 students and teachers from six secondary schools visited the BEA Innovation Centre during Hong Kong Money Month, which was co-ordinated by the IFEC with the joint aims of enhancing students' understanding of BEA's latest FinTech breakthroughs and the roles of financial institutions in people's lives.
- BEA partnered with Hong Kong Science Park to organise the BEA 100 FinTech Challenge, to foster creativity in the development of FinTech solutions. Student teams from across Hong Kong's eight universities competed for prize money totalling HK\$230,000 by submitting proposals on the theme of "Intelligent Banking".

ENVIRONMENT

- BEA volunteers supported the Food Recovery Experiential programme, organised by the Conservancy Association Food Resources Recycling Centre, collecting and recovering unsold food in wet markets and distributing it to senior citizens and families in need.
- A Food Drive campaign was organised by BEA volunteer team to set up a charity counter to collect food from colleagues and donate it to low income families. A total of 187 items and around HK\$60,000 were raised during the campaign.
- We participated in a tree-planting programme organised by Kadoorie Farm and Botanic Garden in order to fight against climate change and soil erosion. The BEA volunteer team helped weed the site, plant seedlings, and set tree guards in Tai Mo Shan to prevent the soil from further erosion.

SOCIAL WELFARE

- As part of its centenary celebrations, BEA joined hands with nine local NGOs to host a community luncheon in January 2019 for approximately 1,200 elderly people from across Hong Kong. Around 200 representatives of the Bank, including members of Senior Management and staff volunteers, attended the luncheon to greet and entertain the elderly guests.
- BEA won the 8th Hong Kong Volunteer Award in recognition of its contributions and accomplishments in promoting volunteering.
- For a fourth straight year, the BEA volunteer team supported Feeding Hong Kong's "Bread Run". The team contributed more than 200 hours and collected more than 2,900 loaves of bread for local NGOs and primary schools in need.

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OUR COMMITMENTS — Contributing to Our Community

- Sixteen gatherings for underprivileged elderly citizens were held throughout the year.
- The Bank participated in World Vision's Used Book Recycling Campaign to support World Vision's early childhood education project in Guangxi and Shaanxi. This is the second year BEA supported this initiative, which enlightens children and changes their lives through education.
- Bank volunteers participated in World Vision's 30-Hour Famine 2019 to raise funds for refugee children and families affected by conflict in South Sudan, Myanmar, and Syria.
- BEA provided funding to residents of Lei Yue Mun district who struggled to recover from the destruction caused by Typhoon Mangkhut in September 2018. Families in this low-lying area used the funding for repairs and to replace damaged furniture and electrical appliances. Our staff volunteers also paid a visit to the families to show our concern and support.

OTHER

- For a fourth consecutive year, BEA was title sponsor of the "Community Chest BEA Charity Golf Day" organised by The Community Chest of Hong Kong, which raised more than HK\$2.3 million for mental health services.
- Blue Cross redoubled its support for the development of youths with and without disabilities as well as in sports. Apart from serving as a sponsor of the annual Happy TEEN Full of FUN Programme organised by the Hong Kong PHAB* Association for the eighth straight year and Gold sponsor of the PHAB Walk for Integration, Blue Cross also pledged HK\$100,000 to sponsor InspiringHK Sports Foundation as part of its commitment to supporting the development of fencing among the youth of Hong Kong.

* Physically Handicapped and Able-bodied



BEA hosted a community luncheon for the elderly as part of its centenary celebrations.

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OUR COMMITMENTS — Contributing to Our Community

The BEA Foundation

The majority of BEA's educational and social welfare initiatives are arranged through the BEA Foundation, which has developed a network of strong strategic partnerships with NGOs in Hong Kong.

The BEA Foundation has worked closely with universities and other institutions of higher learning in Hong Kong to identify and recognise the achievements of academically talented individuals in need of financial support.

The BEA Foundation offers scholarships to 10 university students with special educational needs ("SEN") as part of the BEA Inspiring Student Scholarship Programme, who are nominated by their universities based on factors including financial need, personal character, academic performance, and extra-curricular achievement. Further, we award scholarships to academically outstanding students studying at selected universities in Hong Kong. These initiatives ease financial burden on SEN and noteworthy students and their families, so they can focus on achieving their academic goals.

Palliative Care in Residential Care Homes for the Elderly Programme ("Palliative Care Programme")

About the programme and partner

Operated by The Salvation Army Hong Kong and Macau Command, and supported by the BEA Foundation and "la Caixa" Banking Foundation, the Palliative Care Programme is designed to promote palliative care as an alternative end-of-life path for the terminally ill in Hong Kong.

Progress so far

We promoted the concept of a "Compassionate Community" to raise public awareness of life and death issues and palliative care among people of different generations. In addition, we conducted community and educational programmes through the proactive engagement of citizens and community stakeholders to help them in their health and end-of-life planning. The team reached over 4,000 people in 2019.

Objective and potential impact

To provide palliative care to elderly patients and psycho-spiritual support to the family members, and raise awareness through seminars and other outreach activities.

Future plans

Looking ahead, the project team will promote the application of its ground-breaking CORE-UPHOLD Model into integrated palliative care services through the provision of direct care, training, and the creation of a pioneering sensory library. In addition, the team will provide early intervention through a "wish" programme or alternative psychological care and reminiscence therapy approach; provide family-centred care and peer support; and build capacity and community empowerment.



Madam Yeung (far left) and Madam Chan (far right) — two participants in the Palliative Care Programme funded by the BEA Foundation and "la Caixa" Banking Foundation.

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OUR COMMITMENTS — Contributing to Our Community

BEA Parent-Child Reading Programme

About the programme and partner

In collaboration with the Hong Kong Sheng Kung Hui's Religious Education Resource Centre, the BEA Foundation funded a programme to train teachers, librarians, and parents, as well as students.

Progress so far

We promoted "Train the Trainer" workshops in kindergarten groups, to help parents become "Storytelling Parents".

A Storytelling Parents Team comprising parents from different primary schools came together to perform a drama at the Hong Kong Book Fair 2019.

In July 2019, BEA organised the closing ceremony of the 2018–2019 programme with more than 250 attendees. Over 80 participants received prizes during the ceremony.

Objective and potential impact

To foster greater interest in reading among children, and to strengthen parent-child bonds.

Future plans

The Storytelling Parents Team will participate in the storytelling sessions, with a different team performing in every Hong Kong Book Fair. They will read stories at the Hong Kong Book Fair 2020 using the skills they acquired during the "Train the Trainer" workshop.

We plan to add a QR Code to the backs of our Kindergarten picture books that will link to sound recording of the books being read in Cantonese, Putonghua, and English. This will enable parents and their children to practice reading the books in other languages. This feature will also provide activities for parent-child interaction.



Winners performed at the closing ceremony of the 2018–2019 BEA Parent-Child Reading Programme.

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OUR COMMITMENTS — Contributing to Our Community

BEA Youth Makerspace Programme

About the programme and partner

Organised by The Warehouse Teenage Club (“The Warehouse”), the programme provides a “makerspace” for teenagers to develop their talents in visual arts and crafts, and digital technology. A “maker festival” is held annually, where participants can showcase their work.

Progress so far

In 2019, the first “Maker Day” funded by the BEA Foundation was organised at the Aberdeen Promenade to provide youths with opportunities to display their work in a public space.

Objective and potential impact

The programme aims to boost self-confidence and independence, and to help participants develop their interpersonal skills and gain inspiration for their future careers. Skills-based volunteering opportunities are organised so talented youths can contribute to the community.

Future plans

The Warehouse plans to provide a series of intensive training courses and opportunities for experienced young makers to serve as tutors to new younger makers in the programme. They will be equipped with the necessary skills in product design, prototyping, lesson planning, and teaching.

In addition, the Warehouse plans to complete three community projects with young makers in 2020, and to organise a series of maker “show and tell” activities in the summer of 2020 to demonstrate and share young makers’ project outcomes and products with the public.



Young makers showcased their creations at the “Maker Day”.

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Teen Café Youth Mental Health Promotion Project (“Teen Café Project”)

About the programme and partner

In partnership with Tung Wah Group of Hospitals (“TWGHs”), Teen Cafés have been established in 12 participating schools to support 600 youths by providing a space for early intervention by medical professionals and a base for a wide range of informative, enjoyable, and stress-relieving activities.

Progress so far

In 2019, approximately 2,400 youths benefitted from the Teen Cafés, quadruple the target number proposed for the year.

Several of the Teen Café initiatives gained strong traction among the participating youths, particularly the activities organised by the Arts and Sports developmental group.

The youth-oriented nature of these developmental groups also provided opportunities for inter-school friendships to be established. Youths were highly enthusiastic about taking part in various volunteering opportunities ranging from community education to helping at animal rescue support centres.

The high and sustained participation rate among youths in the Teen Café and related volunteering programmes suggests that the Teen Café Project resonates with youths and strengthens their sense of belonging to the community.

In addition to the above programmes, TWGHs organised seminars and an inter-disciplinary conference for parents, teachers, and other professionals to discuss issues related to stress management and the ability of students to adapt to the school environment.

Objective and potential impact

The Teen Cafés are designed to serve as locations within participating schools where students can play and discuss their mental health issues with social workers who can recommend follow-up. Related activities are organised to boost confidence and bring at-risk adolescents under the care of professionals who can oversee their treatment and recovery.

Future plans

In view of the prior success of the Teen Café programmes, we aim to expand the scope of developmental programmes. We offer to include an even wider range of sports and arts activities that youths will find interesting and meaningful.

Apart from regular Café sessions held at partner schools during lunchtimes, the programme will organise therapeutic and developmental groups for students who lack interpersonal skills, motivation, or self-esteem in partnered schools. In addition, TWGHs plans to work closely with educators to develop more theme-based workshops and seminars for vulnerable groups including students currently using F1 visas for their academic programmes (particularly in secondary schools in Hong Kong that use English as a medium of instruction), and senior students coping with the stress of Hong Kong Diploma of Secondary Education exams.

Students developed teamwork skills playing floor curling at a Teen Café activity.



The Hong Kong community’s needs constantly evolve, which is why BEA Foundation always reviews and assesses its societal contribution, seeking ways to improve upon our charitable efforts. With the aim of developing protocol for our flagship projects, which can evolve to earn additional

governmental support or be replicated in other districts, we intend to deepen our contribution to society. It is because of this vision to help those who are neediest that we frequently add new ad hoc or flagship projects to this goal.

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OUR COMMITMENTS — Contributing to Our Community

MAINLAND CHINA

BEA China encourages a culture of social responsibility, from our management to our customer-facing colleagues. The BEA Charity Fund has established several pioneering community programmes and provided financial support to NGOs in our key focus areas.

"I want to thank the BEA Charity Fund for providing this programme for us. The education we observe today in Shanghai is what we envision for our rural school education. It is only when our rural school education is strong, that our country can claim to be a true leader in education."

Xionghuai Zhou from Hunan

EDUCATION

- The BEA Charity Fund organised more than 8,400 hours of teacher training for 177 rural schoolteachers across the country and 1,885 hours of training for school principals of 19 rural schools.
- BEA China volunteers provided more than 70 hours of teaching to primary students in Shangrao and Ulanqab in subjects including English, painting, emotional management, and culture.
- In 2019, The Bank of East Asia Cup Financial Education School Tour attracted roughly 10,000 students from more than 120 schools in Shanghai, who learned financial skills and concepts by competing in a financial literacy contest. This year's event also saw the introduction of a new category in the Financial Knowledge Speech Contest called "My Good Life", which was designed to allow students to express themselves and the spirit of the times.

ENVIRONMENT

- BEA China organised the "We Love Green" Arbour Day charity campaign in 28 cities nationwide to promote environmental protection and awareness through activities such as a floriculture course, bicycle riding, and tree planting. A total of more than 870 volunteers contributed over 2,900 volunteering hours.

SOCIAL WELFARE

- BEA China organised a Lunar New Year Programme with over 200 volunteers from its Headquarters in Shanghai and 23 branches nationwide, contributing more than 1,100 hours by delivering groceries and books to more than 6,400 senior citizens and children, to help make their lives easier.
- In celebration of Children's Day, BEA China's "Happy Childhood" campaign ran in 22 cities. More than 600 staff volunteers contributed over 2,500 hours to serve over 4,000 children through various activities such as museum visits and sporting activities, helping to strengthen their bodies and minds.



In 2019, 16 teachers were recruited for the Long-term Volunteer Teaching Programme organised by the BEA Charity Fund. The teachers each committed to a one-year teaching programme in rural schools.

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OUR COMMITMENTS — Contributing to Our Community

The Firefly Project

About the programme and partner

Since 2009, the Firefly Project has provided rural schoolchildren with access to educational tools that their peers in more developed regions may take for granted. Each Firefly Centre is equipped with computers, internet access, a library, audio-visual equipment, books, and school supplies.

Progress so far

In 2019, the Firefly Project established 11 new centres, bringing the total number of Firefly Centres nationwide to 99. Nearly 5,000 Firefly Backpacks with stationery and dictionaries were distributed to the students of the participating schools. More than 53,900 Firefly Backpacks have been donated to underprivileged students since the programme launched.

Objective and potential impact

To offer a brighter future for the younger generation in rural China and empower them with better educational opportunities.

Future plans

In 2020, the BEA Charity Fund plans to establish four additional centres and distribute around 2,000 Firefly Backpacks to schoolchildren across the Mainland.

In addition, the BEA Charity Fund will continue to provide professional training for school principals and teachers, organise English courses, and improve campus living conditions.

BEA China volunteer teachers shared their knowledge with rural students.



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Long-term Volunteer Teaching Programme

About the programme and partner

Launched in 2017, the Long-term Volunteer Teaching Programme aims to improve the teaching source for the remote rural schools suffering from a shortage of qualified teachers.

Progress so far

In 2019, a new group of 16 volunteer teachers was recruited after thorough evaluation. The volunteers began teaching in remote rural schools after completing a two-week professional training course.

In addition, the BEA Charity Fund organised a sharing session and training course in Shanghai for the volunteers who had successfully finished one year of teaching in remote rural schools.

Objective and potential impact

The current focus of the programme is aimed at bringing together high-calibre teachers and impoverished rural schools suffering from a dearth of qualified teachers.

Future plans

In 2020, the programme will evaluate the performance of the volunteer teachers. Specialist training, teaching assistance, and job placement assistance will be provided for them.



BEA China hosted a sharing session as part of the Long-term Volunteer Teaching Programme.

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OUR COMMITMENTS — Contributing to Our Community

BRANCHES IN MACAU, TAIWAN, AND OVERSEAS

BEA's culture of contributing to the local community exists at all of our branch locations. Our branches in Macau, Taiwan and overseas strive to be a positive, enabling force in the communities where we operate through various community projects.

Some of our key projects are highlighted below:

EDUCATION

- Labuan Branch participated in a charity event to educate and raise children's awareness on the importance of oral health and hygiene.
- Our branches in the UK supported the Birmingham Chinese School by providing financial management training. More than 150 primary and secondary students received training from BEA staff members on the importance of sound financial management at a young age.
- Our New York Branch hosted a "Career Exploration" field trip for the fifth consecutive year. Participating high school students observed the operation of the branch, shared their plans and career goals, and received career advice from our colleagues.
- For the second consecutive year, New York Branch volunteers and their family members participated in "Operation Backpack" by packing school supplies and providing quality control. More than 20,000 underprivileged children benefited from the programme.



Staff members of London Branch held a financial talk for students and elderly members of the city's Chinese community.

SOCIAL WELFARE

- 20 staff members of our Macau Branch participated in World Vision's "Macau Famine" to raise funds for children in South Sudan and Syria by skipping a meal. This is the sixth year that BEA supported the campaign.
- Over 70 staff volunteers from Singapore Branch visited 100 patients at the Kwong Wai Shiu Hospital to entertain them with a performance and games, and bring refreshments.
- For the second consecutive year, Taiwan Branch staff volunteers supported the Genesis Social Welfare Foundation ("GSWF") by collecting more than 1,400 uniform invoices for entry into a lucky draw held by Taiwan's Ministry of Finance. Cash prizes awarded to winning invoices were given to GSWF to help underprivileged groups.

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OUR COMMITMENTS — Contributing to Our Community



Blue Cross sponsored the Happy TEEN Full of FUN programme, organised by the Hong Kong PHAB Association to help teenagers with and without disabilities understand their abilities, manage their emotions, and cultivate positive thinking through performing arts.

- New York Branch supported “Toys for Holidays”, organised by Volunteers of America-Greater New York. In addition to donating toys, staff members helped wrap and sort presents for designated shelters to brighten the holidays for children afflicted by homelessness or domestic violence.
- For the sixth consecutive year, Los Angeles Branch volunteers helped run a free health screening event jointly organised by Buddha’s Light International Association and Arcadia Methodist Hospital. Free doctor consultations were provided to the elderly and members of low-income families, as well as flu shots and blood tests.

ENVIRONMENT

- Labuan Branch collected various recyclable items from staff and sent them to Tzu Chi Recycle Centre Labuan, which upcycles items into clothes and other useful items before they are donated to local charities.
- Chinese “laissee” red envelopes were collected by Macau Branch volunteers as BEA supported the Easy Laissee Recycling campaign. More than 3,500 discarded envelopes were collected from staff for re-use and recycling.
- London Branch volunteers collected 230kg of rubbish along the banks of the River Thames for sorting and recycling as part of a clean-up activity organised by Keep Britain Tidy.

Our Commitments —

Enhancing Our Environmental Performance

All businesses must contribute to the global effort to tackle climate change and transition to a low-carbon economy. The BEA Group is committed to minimising the direct footprint of its operations, and we seek to positively influence our employees, suppliers, customers, and other stakeholders by raising their awareness of environmental issues and helping them make more sustainable choices.

Our progress in 2019 includes:

- enhancing our data collection process to enable Group-wide emissions reporting;
- a 1.4% reduction in electricity consumption in our two main office buildings in Hong Kong year on year, which exceeded our target of 1.1%;
- a 2% overall reduction in electricity consumption in Hong Kong, year on year (This was achieved by upgrading air conditioning systems, replacing all T5 light tubes with LED tubes in our BEA Tower offices, and powering off non-essential lighting and setting equipment to auto sleep mode in office buildings and branches); and
- completing the replacement of halogen floodlights with LED lights at the Roof Floor of our office building in Kwun Tong, Hong Kong, offering energy reductions of up to 70% per year based on current usage.

EFFICIENT OPERATIONS

Why it matters

Both climate change and the availability of natural resources are of growing concern and importance globally. The most significant factor contributing to our environmental impact is energy consumption, of which approximately 91% is the use of electricity to power our branches, offices, and data centres. We also use considerable amounts of paper for customer communications, statements, forms, and receipts in our branches, as well as throughout our office operations.

Reducing our consumption of these precious natural resources is not only good for the environment, but can also result in cost savings and encourage innovations that enhance operational efficiency. The importance of environmental stewardship to our stakeholders, including our employees, drives our efforts to find effective solutions to reduce our impact on the environment.

CARBON DISCLOSURE

Climate change is an issue of growing concern and importance globally. The Group continued to show its commitment to transparency by submitting performance information to CDP and the Carbon Footprint Repository for Listed Companies in Hong Kong.

Management approach

Our Environmental Policy outlines the commitments that Group members have made to reduce the consumption of energy and paper. Reviewed and approved annually by our Board of Directors, it references the United Nation's Environment Programme Finance Initiative Statement by Financial Institutions on the Environment and Sustainable Development, and applies across all of BEA's operations.

Guided by our policy, we strive to comply with all relevant laws and regulations, including environmental protection legislation, in all locations where we operate. Blue Care complies with all relevant laws and regulations regarding proper disposal of medical waste. Each of our business units continually monitors the consumption of energy and paper, so as to build on the progress we have made in reducing consumption since we began monitoring in 2012.

We have committed to reducing greenhouse gas ("GHG") emissions in an effort to contribute to mitigating climate change. Air and GHG emissions are covered by our Environmental Policy, and we track, analyse, and disclose emissions information in our reports and to CDP. We are currently in the process of setting Group-wide emissions targets.

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OUR COMMITMENTS — Enhancing Our Environmental Performance

Our energy reduction efforts are spearheaded by creating efficient systems, streamlining work procedures, minimising business travel, monitoring our energy consumption, influencing our colleagues' behaviour, and conducting periodic reviews.

We have in place a five-stage Facilities Cycle Policy to focus our efforts in reducing consumption and waste production. The five stages of the policy include production, distribution, consumption, reuse and recycle, and disposal and employ initiatives such as:

- gamifying paper consumption reduction;
- introducing electric vehicle charging;
- food waste and utilities measurement; and
- exploring opportunities for wind and solar energy use.

Our wholly-owned premises in Hong Kong and Mainland China have been awarded green building certification:

- BEA Tower, Kwun Tong, Hong Kong: Hong Kong BEAM (Excellent)
- BEA's Leasing Office Building, 33 Des Voeux Road Central, Hong Kong: Gold Standard Rating in BEAM for New Buildings
- BEA China Headquarters, Shanghai: LEED¹³ Gold
- BEA China Shanghai Branch: LEED Gold
- BEA China Beijing Branch: LEED Gold

Relevant policy:

[Environmental Policy](#)

Energy reduction

Targets are a catalyst for delivering progress. In Hong Kong, we are limited in our ability to drive down emissions from energy consumption due to the fuel mix available to our operations. We have made setting targets for the reduction of carbon emissions a priority, and continue to make progress towards achieving our target of reducing electricity consumption each year at our two main office buildings in Hong Kong by 1.1%.

To achieve this, we:

- fitted energy-efficient equipment and lighting throughout our branch network and offices;
- replaced split type air-conditioning units in Hong Kong branches with more energy-efficient variable refrigerant volume systems using inverters and environmentally-friendly refrigerant;
- promoted energy-saving behaviour among staff members through communications and monitoring, for example, by tracking which computers are not turned off and reporting performance to supervisors for corrective action; and
- continued to support the Charter on External Lighting by switching off external lighting at selected branches before 11:00 p.m. to conserve energy and reduce light pollution.



BEA China engaged staff members in tree-planting activities to raise their environmental awareness.

13 LEED is the Leadership in Energy and Environmental Design standard issued by the US Green Building Council.

OUR COMMITMENTS — Enhancing Our Environmental Performance

Paper consumption

Although our business often relies on paper to deliver key services to our customers, we are continually working to digitalise aspects of our operations to improve efficiencies and reduce paper consumption and waste.

Initiatives that help reduce our paper consumption:

- In Hong Kong, all BEA branches are now digitalised.
- We continue to digitalise our office systems and processes to reduce paper consumption.
- In line with market practices, we have established a fee for hardcopy statements to encourage more retail banking customers to go paperless.
- We encourage our staff to save paper and avoid printing when possible by generating and issuing staff printing records, and have run an annual paper consumption reduction competition since 2017.
- Office paper used in our operations is FSC¹⁴-certified and recycled as far as it is practicable.

Waste

As a financial institution, we are not waste intensive, but this does not mean we do not need to manage our waste responsibly. We aim to reduce waste production and promote recycling across the Group. Paper is our major form of waste, but colleagues in our offices and branches are urged to separate all recyclable waste for proper handling. To reduce waste and promote recycling, we:

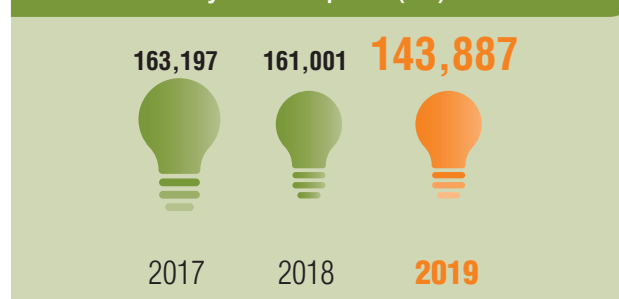
- Engage contractors to recycle shredded confidential documents in Hong Kong, Singapore, the UK, and the US.
- Provide recycling bins in the Bank's office buildings.
- Record and report annual paper recycling rates.
- Participate in the Environmental Protection Department's Food Waste Recycling Partnership to recycle food waste generated at our staff canteen in BEA Tower in Hong Kong.
- Offer discounts in our Hong Kong canteen to encourage our employees to bring their own containers, and have introduced a charge for wooden cutlery.

2019 Performance

This year, we assessed and revised our environmental data collection process, which allows us to build on past progress and expand our reported GHG information from Hong Kong and China to include Group-wide emissions. Our Group-wide Scope 1 and 2 emissions amounted to 33,257.61 tonnes of CO₂ equivalent (CO₂e). Overall, the Group consumed 17,113 GJ less electricity, or a decrease of nearly 11%, when compared with 2018. Our energy intensity also fell. It should be noted that apart from efforts to enhance energy efficiency, a proportion of the decrease in electricity consumption may also be attributable to the temporary closure of branches in Hong Kong during the period of social unrest.

In 2019, we revised our data collection process for water, waste, heating, and cooling to improve the accuracy of the data through better-defined tracking and reporting. As part of this process, the scope of the data collected has changed to focus on the most material paper use — copy and IT paper. Aspects of our consumption outside of our operational control (for example, when included in building management fees) have been excluded. Year-on-year comparisons for water and waste consumption are not indicative of our performance. The data included in the revised scope for data collection is included under the performance tables on pages 54–56.

Total electricity consumption (GJ)



14 FSC is Forest Stewardship Council certification.

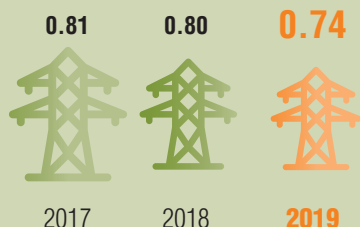
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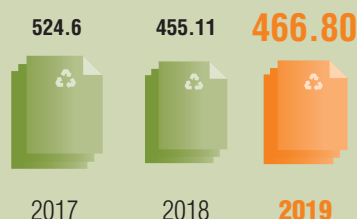
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OUR COMMITMENTS — Enhancing Our Environmental Performance

Energy intensity per square metre (GJ/M²)



Total paper recycled (Tonnes)



Note: 2019 data includes copy and IT paper only

better manage associated risks. Our Supplier Code of Conduct defines our requirements and expectations of suppliers. These include:

- Complying with all relevant environmental legislation.
- Minimising their environmental risks and direct impacts from their operations.
- Implementing environmental policies and environmental management systems.
- Minimising energy consumption and resource use, and improving energy efficiency.

Employees

In order to foster a culture of environmentally responsible behaviour in our workplaces, we regularly communicate interesting environmental news to our colleagues. Through our staff CSR e-newsletter, we raise awareness of important issues and relate them to the positive contributions that BEA and our employee volunteers are making in conjunction with industry groups and environmental organisations.

2019 Performance

Following a request to our employees, made through our e-newsletter, on ways we can reduce our environmental footprint, we received various suggestions which are currently being considered for feasibility.

- To encourage staff members to adopt e-statements for their MPF accounts, BEA introduced an MPF e-statement in 2019. By the end of the year, 25% of the Bank's total staff in Hong Kong had switched to e-statement service. Encouraged by this achievement, BEA plans to conduct additional promotions in the future.
- In response to employee requests, we installed recycling bins on every floor of our Head Office building.

PROMOTING GREEN BEHAVIOUR

Why it matters

We recognise that as a large financial services provider, we can multiply our positive impact by educating our stakeholders on environmental issues and encouraging those around us to adopt environmentally considerate practices.

Management approach

Suppliers

The Bank is committed to working with suppliers and vendors that have adopted ESG best practices. For suppliers that have not already made such commitments, we provide encouragement to make improvements and

Our Performance — Data Tables

HKEX ESG Guide/GRI Standards Reference	Indicator	2019	2018
Economic performance		(HKD Mn)	(HKD Mn)
GRI 201-1	Direct economic value generated and distributed		
	Revenue	19,730	17,124
	Operating costs	3,708	2,971
	Employee compensation and benefits	5,192	5,032
	Payment to providers of capital	2,016	4,052
	Payments to government in Hong Kong	879	879
	Payments to government in Mainland China	(63)	323
	Payments to government in Macau and Taiwan	8	15
	Payments to government in Overseas	200	275
	Total cash donations to charitable organisations	9	10
	Economic value retained	7,781	3,567
GRI 201-1	Financial donations by location		
	Hong Kong	8	7
	Mainland China	1	3
	Macau and Taiwan	—	—
	Overseas	—	—
	Total cash donations to charitable organisations	9	10

	Unit	2019	2018	2017	
Environmental Performance					
GRI 302-1	Energy consumption within the organisation				
	Total energy consumption	gigajoules (GJ)	168,246.66	187,520.13 [^]	191,856.52 [^]
	Total electricity consumption	GJ	143,887.34	161,001.04	163,196.55
	Total heating purchased for consumption [#]	GJ	0.00	0.00 [^]	0.00 [^]
	Total cooling purchased for consumption [#]	GJ	0.00	0.00 [^]	0.00 [^]
a.	Total fuel consumption from non-renewable sources (Diesel oil, petrol, Towngas)	GJ	24,359.32	26,519.09 [^]	28,659.97 [^]
b.	Total fuel consumption from renewable sources	GJ	0.00	0.00	0.00
KPI A2.1	Total direct and indirect energy consumption by type				
	Total energy consumption	'000 kilowatt hours (kWh)	46,735.18	52,088.93 [^]	53,293.47 [^]
	Total electricity consumption	'000 kWh	39,968.71	44,722.51	45,332.38
	Total heating purchased for consumption	'000 kWh	0.00	0.00 [^]	0.00 [^]
	Total cooling purchased for consumption	'000 kWh	0.00	0.00 [^]	0.00 [^]
	Total fuel consumption from non-renewable sources (Diesel oil, petrol, Towngas)	'000 kWh	6,766.48	7,366.41 [^]	7,961.10 [^]
	Total fuel consumption from renewable sources	'000 kWh	0.00	0.00	0.00

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HKEX ESG Guide/GRI Standards Reference	Indicator	Unit	2019	2018	2017
GRI 302-3	Overall energy intensity of the Group by Gross Floor Area ("GFA")	GJ/m ²	0.74	0.80 [^]	0.81 [^]
KPI A2.2	Water consumption Total consumption of municipal fresh water	m ³	83,372.87	94,581.11	96,726.70 [^]
	Water intensity per square metre of GFA	m ³ /m ²	0.36	0.43	0.50 [^]
KPI A1.1	Emissions from gaseous fuel consumption NOx SOx	kilograms (kg) kg	7.78 0.04	7.88* 0.04*	7.80* 0.04*
KPI A1.1	Emissions from vehicles NOx SOx PM	grams (g) g g	1,534,812 9,566 121,584	404,798* 1,423* 36,231	485,994* 1,418* 43,445
KPI A1.2	Total GHG emissions in Hong Kong Scope 1 emissions Scope 2 emissions Scope 1 & 2 emissions GHG emissions intensity per unit of GFA	tonnes CO ₂ equivalent (CO ₂ e) tonnes CO ₂ e tonnes CO ₂ e tonnes CO ₂ e/m ²	737.87 11,345.13 12,083.00 0.16	853.60 11,276.03 12,129.63 0.18	356.01 12,211.87 12,567.88 0.18
KPI A1.2	Total GHG emissions in Mainland China Scope 1 emissions Scope 2 emissions Scope 1 & 2 emissions GHG emissions intensity per unit of GFA	tonnes CO ₂ e tonnes CO ₂ e tonnes CO ₂ e tonnes CO ₂ e/m ²	3,668.77 15,535.41 19,204.18 0.14	1,402.62 15,416.05 16,818.67 0.12	1,541.10 15,869.82 17,410.92 0.12
KPI A1.2	Total GHG emissions of BEA Group Scope 1 emissions Scope 2 emissions Scope 1 & 2 emissions GHG emissions intensity per unit of GFA	tonnes CO ₂ e tonnes CO ₂ e tonnes CO ₂ e tonnes CO ₂ e/m ²	4,578.67 28,678.94 33,257.61 0.15	Data not available Data not available Data not available Data not available	Data not available Data not available Data not available Data not available

[^] Restated in BEA 2019 ESG report. Refer to Restatements on page 72 for more information.

[#] Change of scope: Heating and cooling paid as part of management fees is outside of BEA's operational control and considered out of scope.

^{*} Hong Kong operations only

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HKEX ESG Guide/GRI Standards					
Reference	Indicator	Unit	2019	2018	2017
Environmental Performance					
GRI 306-2	Paper consumption and waste**				
KPI A1.4	Total paper used	tonnes	462.51	887.13	977.68
	Total paper recycled	tonnes	466.80	455.11	524.6
	Recycling rate	%	100.9	51.30	53.7
GRI 306-2	IT Products				
KPI A1.4	Total weight of IT products collected for recycling or reuse	tonnes	11.63	10.21	8.55
GRI 306-2	Medical waste (Blue Care Only)				
KPI A1.3	Weight of waste disposed	tonnes	0.16	0.12	0.14

** Change of scope: In 2019, paper waste data only includes copy paper and IT paper, our most material paper types.

2019			
Workforce data			
GRI 102-7	Total workforce	No. of people: 9,843	
GRI 102-8 a.	Total workforce by employment contract and gender	Male	Female
		%	%
	Permanent Contract	39.7	58.8
	Fixed Term/Temporary Contract	0.8	0.7
GRI 102-8 c.	Total number of employees by employment type and gender		
KPI B1.1			
	Full time	40.1	58.6
	Part time	0.4	0.9
KPI B1.1	Total workforce by region and gender		
	Hong Kong	24.5	32.0
	Mainland China	13.4	24.0
	Macau and Taiwan	0.7	0.9
	Overseas	1.9	2.6

OUR PERFORMANCE — Data Tables

HKEX ESG Guide/GRI Standards					
Reference	Indicator	2019			
KPI B1.1	Total workforce by region and age	Below 30	30–50	Above 50	
		%	%	%	
	Hong Kong	12.3	32.5	11.7	
	Mainland China	6.3	29.6	1.5	
	Macau and Taiwan	0.4	1.0	0.2	
	Overseas	0.5	2.7	1.2	
GRI 102-8 b.	Total workforce by employment contract and region	Mainland	Macau &		
		Hong Kong	China	Taiwan	Overseas
		%	%	%	%
	Permanent Contract	55.2	37.4	1.6	4.4
	Fixed Term/Temporary Contract	1.3	0.0	0.0	0.1
GRI 401-1 a.	Total no. of new hires by region and gender, and region and age (permanent full time staff only)	No. of people: 1,919			
		Male	Female	Below 30	30–50
		%	%	%	Above 50
				%	%
	Hong Kong	29.8	35.3	29.7	31.9
	Mainland China	11.9	17.0	10.7	18.0
	Macau and Taiwan	1.1	1.3	1.0	1.1
	Overseas	1.4	2.1	1.3	2.2
					0.1
GRI 401-1 a.	Rate of new hires by region and gender, and region and age (permanent full time staff only)	Overall: 20%			
	Hong Kong	24.8	22.5	51.7	19.5
	Mainland China	17.3	13.9	33.1	11.8
	Macau and Taiwan	31.9	28.1	55.6	21.4
	Overseas	15.3	16.5	49.0	16.0
					0.9

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HKEX ESG Guide/GRI Standards						
Reference	Indicator	2019				
GRI 401-1 b.	Total no. of employee turnover by region and gender, and region and age (permanent full time staff only)	No. of people: 1,737				
		Male	Female	Below 30	30–50	Above 50
		%	%	%	%	%
	Hong Kong	23.3	30.2	19.5	26.8	7.2
	Mainland China	16.3	23.5	9.0	29.5	1.3
	Macau and Taiwan	1.4	1.6	0.7	2.1	0.2
	Overseas	1.6	2.0	1.3	2.1	0.2
GRI 401-1 b.	Rate of employee turnover by region and gender, and region and age (permanent full time staff only)	Overall: 18.1%				
KPI B1.2						
	Hong Kong	17.6	17.4	30.7	14.8	11.7
	Mainland China	21.5	17.3	25.2	17.6	16.0
	Macau and Taiwan	36.2	31.5	36.1	36.7	16.7
	Overseas	15.8	14.1	43.1	14.1	3.6
GRI 401-3	Return to work and retention after parental leave, by gender				Male	Female
a.	Proportion of total workforce entitled to parental leave				96.1%	96.0%
b.	Number of people who took parental leave				134	303
c.	Number of people who returned to work after parental leave				134	258
d.	Total employees retained 12 months after returning from parental leave				123	208
e.	Return to work rate				91.8%	80.6%
f.	Retention rate				87.6%	85.3%
GRI 403-2 a.	Total number of work-related fatalities					0
KPI B2.1						
GRI 403-2 a.	Injury rate per 1,000 employees					Overall: 2.03
					Male	Female
	Hong Kong				3.3	2.2
	Mainland China				0.0	1.3
	Macau and Taiwan				0.0	0.0
	Overseas				0.0	7.7
KPI B2.2	Lost days due to work related injury					1,466

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HKEX ESG Guide/GRI Standards						
Reference	Indicator					2019
GRI 403-2 a.	Lost day rate					Overall: 0.06%
	Hong Kong					0.10%
	Mainland China					0.01%
	Macau and Taiwan					0.00%
	Overseas					0.01%
GRI 403-2 a.	Absentee rate					Overall: 1.96%
	Hong Kong					2.00%
	Mainland China					1.90%
	Macau and Taiwan					0.18%
	Overseas					2.61%
GRI 405-1	Composition of the Board of Directors					
		Male	Female	Below 30	30–50	Above 50
	by gender	94%	6%			
	by age group			0.00%	25%	75%
GRI 103-2	Number of grievances about labour practices filed, addressed and resolved					20
Human Rights and Society						
GRI 406-1	Total number of incidents of discrimination and corrective actions taken					0
GRI 205-3 KPI B7.1	Confirmed incidents of corruption and actions taken					0
GRI 419-1	Monetary value of significant fines for non-compliance with laws and regulations (in Hong Kong dollars)					0
GRI 419-1	Total number of non-monetary sanctions for non-compliance with laws and regulations					0
Product responsibility						
GRI 417-1	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications					0
GRI 418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data					1
GRI 419-1	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of product and services (in Hong Kong dollars)					0

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A1 Emissions		
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	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
A1.1	The types of emissions and respective emissions data.	
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	55
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	55
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	56 (partially disclosed)
A1.5	Description of measures to mitigate emissions and results achieved.	50–53
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	50–53
A2 Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	73
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).	54, 72
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	55
A2.3	Description of energy use efficiency initiatives and results achieved.	50–53
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Not material
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not material
A3 The Environment and Natural Resources		
General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	73
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	50–53

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B. Social		Page/Remark
B1 Employment		
General disclosure	Information on:	73
	(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.	
B1.1	Total workforce by gender, employment type, age group and geographical region.	56–57
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B2 Health and safety		
General disclosure	Information on:	73
	(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.	
B2.1	Number and rate of work-related fatalities.	58
B2.2	Lost days due to work injury.	58
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	73
B3 Development and training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	73
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	100% trained
B3.2	The average training hours completed per employee by gender and employee category.	36
B4 Labour Standards		
General disclosure	Information on:	73
	(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.	
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Not material
B4.2	Description of steps taken to eliminate such practices when discovered.	Not material

APPENDICES — HKEX ESG Reporting Guide Content Index

B. Social		Page/Remark
B5 Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	26
B5.1	Number of suppliers by geographical region.	26
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	23, 26 (partially disclosed)
B6 Product Responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have 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.	74
B6.1	Percentage of products subject to recalls for safety and health reasons.	Not material
B6.2	Number of products and service-related complaints received and how they are dealt with.	27–29
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not material
B6.4	Description of quality assurance process and recall procedures.	Not material
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	27–28, 74
B7 Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	74
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.	59
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	22
B8 Community Investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates, and to ensure its activities take into consideration the communities' interests.	74
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	38
B8.2	Resources contributed (e.g. money or time) to the focus area.	38

Appendices — GRI Content Index

GRI Standard	Disclosure Number and Title	Page	Disclosure/Remarks
GRI 100: Universal Disclosures 2016		N/A	
GRI 102: General Disclosures 2016			
102-1	Name of the organisation	2	
102-2	Activities, brands, products, and services	2–3	
102-3	Location of headquarters	2	
102-4	Location of operations	2	
102-5	Ownership and legal form	—	Listed on the Stock Exchange of Hong Kong; Also refer to Annual Report 2019
102-6	Markets served	2–3	Also refer to Annual Report 2019
102-7	Scale of the organisation	2–3	
102-8	Information on employees and other workers	56–58	
102-9	Supply Chain	23, 26	
102-10	Significant changes to the organisation and its supply chain	23	
102-11	Precautionary principle or approach	21–26	
102-12	External initiatives	67	
102-13	Membership of associations	67–68	
102-14	Statement from senior decision maker	6–12	
102-16	Values, principles, standards, and norms of behaviour	13	
102-18	Governance structure	15–16	
102-40	List of stakeholder groups	17	
102-41	Collective bargaining agreements	63	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, 20% of BEA's employees are covered by collective bargaining agreements. We also maintain clear and open grievance channels for employees to raise concerns.

APPENDICES — GRI Content Index

GRI Standard	Disclosure Number and Title	Page	Disclosure/Remarks
102-42	Identifying and selecting stakeholders	17	
102-43	Approach to stakeholder engagement	17	
102-44	Key topics and concerns raised	18	
102-45	Entities included in the consolidated financial statements	5	Also refer to Annual Report 2019
102-46	Defining report content and topic boundaries	19, 70	
102-47	List of material topics	18, 71	
102-48	Restatements of information	72	Relevant restated information was detailed in Data Performance section.
102-49	Changes in reporting	5	
102-50	Reporting period	4	
102-51	Date of most recent report	—	ESG Report 2018 published in June 2019
102-52	Reporting cycle	—	Annual
102-53	Contact point for questions regarding the report	5	
102-54	Claims of reporting in accordance with the GRI Standards	4	This report has been prepared in accordance with the GRI Standards: Core Option.
102-55	GRI content index	63–66	
102-56	External assurance	—	No external assurance for report content
Material Topics			
GRI 200: Economic Topics 2016			
GRI 201: Economic Performance 2016			
GRI 103	Management Approach 2016	21–23	
201-1	Direct economic value generated and distributed	54	Also refer to Annual Report 2019
GRI 205: Anti-corruption 2016			
GRI 103	Management Approach 2016	21, 74	
205-3	Confirmed incidents of corruption and actions taken	59	

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GRI Standard	Disclosure Number and Title	Page	Disclosure/Remarks
GRI 300: Environmental Topics 2016			
GRI 301: Materials 2016			
GRI 103	Management Approach 2016	52–53, 73	
301-1	Materials used by weight or volume	52, 56	
GRI 302: Energy 2016			
GRI 103	Management Approach 2016	73	
302-1	Energy consumption within the organisation	54, 72	
302-3	Energy intensity	55, 72	
302-4	Reduction of energy consumption	52–54	
GRI 306: Effluents and Waste 2016			
GRI 103	Management Approach 2016	50–52, 73	
306-2	Waste by type and disposal method	56	
GRI 400: Social Topics 2016			
GRI 401: Employment 2016			
GRI 103	Management Approach 2016	34, 73	
401-1	New employee hires and employee turnover	57–58	
401-3	Parental leave	58	
GRI 402: Labour/Management Relations 2016			
GRI 103	Management Approach 2016	36	
GRI 402-1	Minimum notice periods regarding operational changes	—	While the Group does not have a minimum notice period in place, we strive to ensure that employees are kept informed, as soon as practical, of any operational changes that could significantly affect them.
GRI 403: Occupational Health and Safety 2016			
GRI 103	Management Approach 2016	37, 73	The Group operates in the 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.
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities.	58–59	

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GRI Standard	Disclosure Number and Title	Page	Disclosure/Remarks
GRI 404: Training and Education 2016			
GRI 103	Management Approach 2016	35, 73	
404-1	Average hours of training per year per employee	36	
GRI 405: Diversity and Inclusion 2016			
GRI 103	Management Approach 2016	36, 73	
405-1	Diversity of governance bodies and employees	59	
GRI 406: Non-discrimination 2016			
GRI 103	Management Approach 2016	36, 73	
406-1	Incidents of discrimination and corrective actions taken	59	
GRI 413: Local Communities 2016			
GRI 103	Management Approach 2016	38–45, 74	
413-1	Operations with local community engagement, impact assessments, and development programmes	38–45	
GRI 417: Marketing and Labelling 2016			
GRI 103	Management Approach 2016	27	
417-3	Incidents of non-compliance concerning marketing communications	59	
GRI 418: Customer Privacy 2016			
GRI 103	Management Approach 2016	27, 74	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	59	
GRI 419: Socioeconomic Compliance 2016			
GRI 103	Management Approach 2016	74	
419-1	Non-compliance with laws and regulations in the social and economic area	59	

Appendices — Additional GRI Standards Disclosures

Charters (GRI 102-12)

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

Memberships (GRI 102-13)

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

Title Held/Level	Name of Association, NGO, Chamber
BEA	
Corporate	Asian Bankers Association
Corporate	The Chamber of Hong Kong Listed Companies
Corporate	Employers' Federation of Hong Kong
Corporate	The Hong Kong Institute of Bankers
Institutional Membership	Treasury Markets Association
Member	Hong Kong Association of Banks
Silver Member	WWF — Hong Kong
Jade Member	HKCSS
Chairman of Executive Committee	St. James' Settlement
Chairman of the Advisory Board	The Salvation Army

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Title Held/Level	Name of Association, NGO, Chamber
BEA's Macau Branch Vice Chairman of Supervisory Board	The Macau Association of Banks
BEA's Taiwan Branch Director	Hong Kong Business Association in Taiwan
BEA's Labuan Branch Member	Association of Labuan Banks
BEA's London Branch Member Member Member Member	Association of Foreign Banks The Hong Kong Association UK Chinese Bankers' Association The Worshipful Company of International Bankers
BEA China Corporate (Vice President) Director Deputy Director General Vice President Director Member	China Banking Association Shanghai Banking Association Shanghai Financial Association China Banking Association Foreign Bank Work Committee at the China Banking Association The Chinese People's Political Consultative Conference of Shanghai
Blue Cross Director Executive Committee Member, Insurance Fraud Prevention Claims Database Member of Election Committee — Insurance Subsector Member of Insurance Authority Working Group	Chinese Insurance Association of Hong Kong Limited The Hong Kong Federation of Insurers Electoral Affairs Commission, HKSAR The Hong Kong Association of Banks
EADIS Member Member Member	Guangzhou Association of Service Trade & Outsourcing Guangdong Service Outsourcing Industry Association Guangzhou Volunteers Association
BEA Union Investment Member Member of Ethics Review Committee Member of Human Capital Committee Member Member of Executive Committee	Hong Kong Investment Funds Association Hong Kong Institute of Certified Public Accountants Financial Services Development Council CFA Institute Hong Kong Investment Funds Association

APPENDICES — Additional GRI Standards Disclosures

Awards and Recognition

BEA

1 “President’s Award” (for the 20th consecutive year), “Diamond Award” in the Corporate & Employee Contribution Programme 2018/2019 (for the 25th consecutive year), “5th Top Fund-raiser Award” and the “Highest Donation Increment Award (Companies and Organisations Category) in the Dress Casual Day 2018 Programme, and the “Top Fund-raiser Award — 6th Runner-up” in The Community Chest 50th Anniversary Walk for Millions
— The Community Chest of Hong Kong

2 Named “Caring Company” (for the 16th consecutive year (BEA), 11th consecutive year (Blue Cross), and the second consecutive year (BEA Life)
— HKCSS

3 “Top 5 Fundraiser” in the Pink Revolution 2018
— Hong Kong Cancer Fund

4 “Oxfam Rice Fundraising Award for Bulk Orders — First Runner-up” in Oxfam Rice Event 2019
— Oxfam Hong Kong

5 Oxfam Rice Selling Campaign 2019 — Second Top Fundraiser (Corporate Rice Order)
— Oxfam Hong Kong

6 Certificate of Merit in the “Best in Reporting Awards” category (Large market capitalisation) in the BDO ESG Awards 2019 Programme
— BDO

7 “Gold Award” for Volunteer Service (Organisation)
— Social Welfare Department

8 Award of 10,000 Hours for Volunteer Service
— Social Welfare Department

9 The 8th Hong Kong Volunteer Award — Corporate Award
— Agency for Volunteer Service

10 Financial Education Champion (for the second consecutive year)
— IFEC

11 ERB Manpower Developer Award Scheme (the eighth consecutive year)
— Employees Retraining Board

12 Wastewi\$e Certificate — Excellence Level for BEA’s Head Office Buildings & BEA Tower
— Hong Kong Green Organisation Certification

13 Energywi\$e Certificate — Excellence Level for BEA’s Head Office Buildings & BEA Tower
— Hong Kong Green Organisation Certification

14 Indoor Air Quality Certificate (Office Building) — Good Class for BEA Tower
— Environmental Protection Department

15 Quality Water Supply Scheme For Buildings — Fresh Water (Management System) — Gold for BEA’s Head Office Buildings
— Water Supplies Department

BEA China

16 Best Corporate Social Responsibility Bank in the China Financial Value Ranking 2019
YI CAI

17 2019 Award for Best Contribution to Poverty Alleviation
China Banking Association

18 2018 Best Practice of Social Responsibility Award
China Banking Association

Blue Cross

19 Hong Kong Outstanding Corporate Citizenship Logo — Enterprise and Volunteer Categories (for the second consecutive year)
The Hong Kong Productivity Council

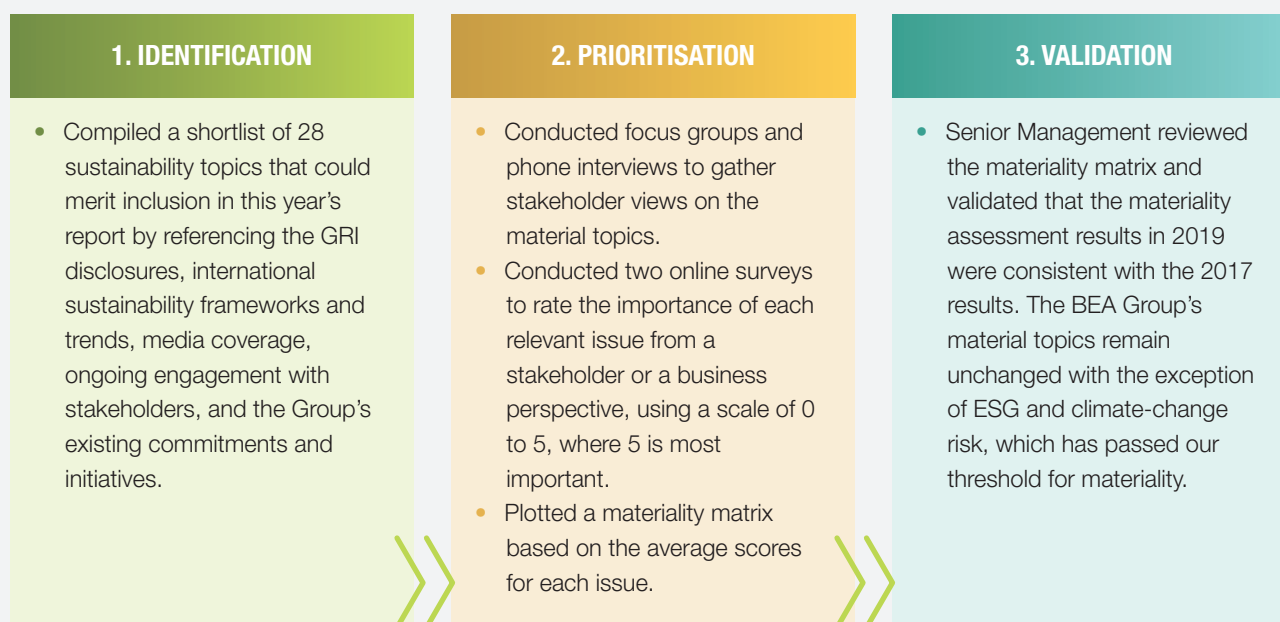
APPENDICES — Additional GRI Standards Disclosures

Materiality Assessment (GRI 102-46)

We undertook a comprehensive materiality assessment in 2017. Since then, we have conducted ongoing engagement with key internal and external stakeholders, and annual targeted engagement with key groups. For the 2019 ESG Report, a total of 20 department heads were engaged to gain insight into BEA's identified material topics, topics that

may become increasingly important in the coming years, and the risks inherent in those topics. This year's approach is described in the Our Approach chapter of this report. Our material topics represent the most significant economic, environmental, and social impacts of our business, and the issues that are of most interest or concern to our stakeholders.

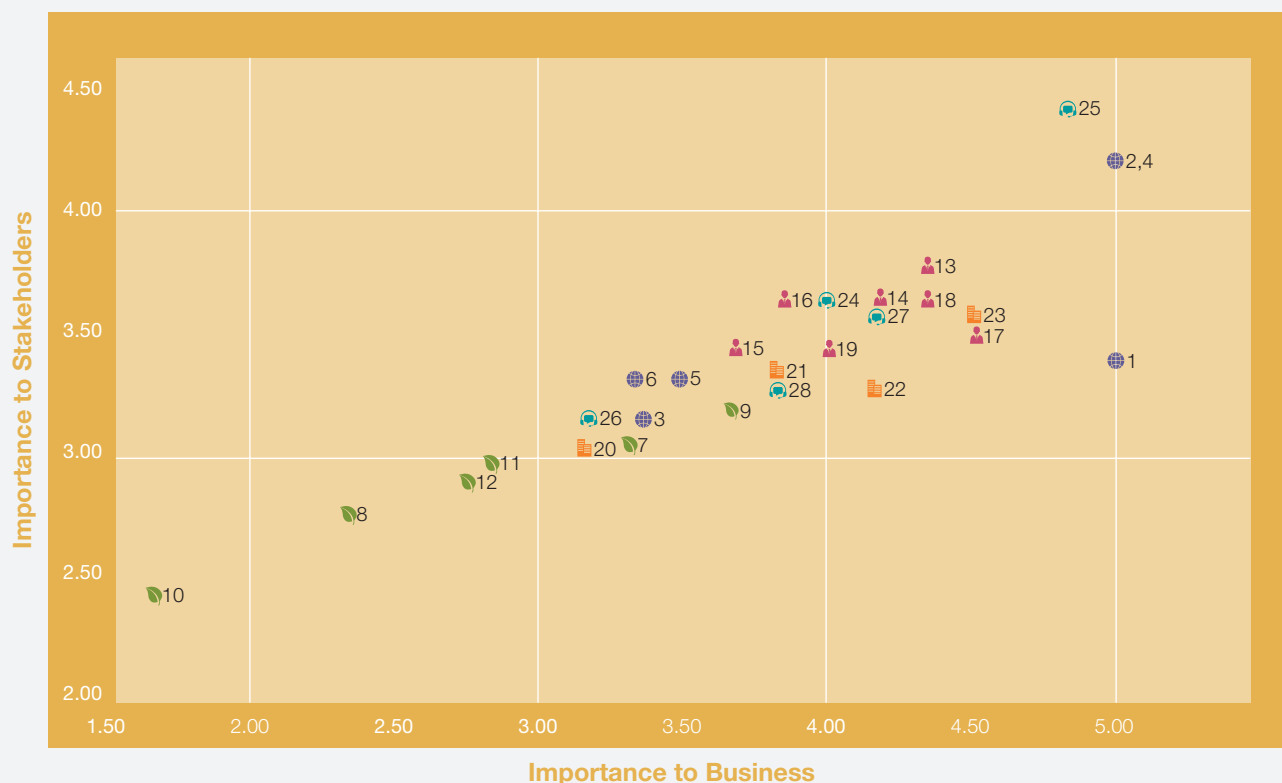
Our comprehensive materiality assessment process



APPENDICES — Additional GRI Standards Disclosures

Materiality Matrix (GRI 102-47)

BEA MATERIALITY MATRIX



Business

- 1 Economic value generated and distributed
- 2 General compliance with laws and regulations
- 3 Sustainable procurement that integrates environmental and social considerations into the procurement process
- 4 Anti-corruption
- 5 Integrating ESG considerations into financing decisions
- 6 Integrating ESG considerations into risk assessment



Environmental

- 7 Energy consumption
- 8 Water consumption
- 9 Paper consumption and waste
- 10 Biodiversity
- 11 Greenhouse gas emissions
- 12 Use of materials



Employees

- 13 Employee benefits and turnover rates
- 14 Promoting equal opportunities
- 15 Grievance mechanisms
- 16 Communication between employees and management
- 17 Occupational health and safety
- 18 Training and career development
- 19 Succession planning



Society

- 20 Providing access to financial services for marginalised groups
- 21 Contribution to the community
- 22 Anti-competitive behaviour
- 23 Non-discrimination



Customers

- 24 Customer feedback
- 25 Customer data privacy
- 26 Promoting financial literacy
- 27 Fair design and marketing of products and services
- 28 Customer health and safety

APPENDICES — Additional GRI Standards Disclosures

Restatements of Information (GRI 102-48)

		2018		2017		
		What was reported in 2018 ESG Report	What it should be	What was reported in 2017 ESG Report	What it should be	Reason for restatement
Indicator	Unit					
Environmental Performance						
GRI 302-1	Energy consumption within the organisation					
Total energy consumption	gigajoules (GJ)	174,386.40	187,520.13	176,982.82	191,856.52	A
Total heating purchased for consumption	GJ	1,835.38	0.00	1,617.00	0.00	C
Total cooling purchased for consumption	GJ	642.00	0.00	593.00	0.00	C
Total fuel consumption from non-renewable sources (Diesel oil, petrol, Towngas)	GJ	10,907.97	26,519.09	11,576.27	28,659.97	B
KPI A2.1	Total direct and indirect energy consumption by type					
Total energy consumption	'000 kilowatt hours (kWh)	48,440.67	52,088.93	49,161.89	53,293.47	A
Total heating purchased for consumption	'000 kWh	509.83	0.00	449.17	0.00	C
Total cooling purchased for consumption	'000 kWh	178.33	0.00	164.72	0.00	C
Total fuel consumption from non-renewable sources (Diesel oil, petrol, Towngas)	'000 kWh	3,029.99	7,366.41	3,215.63	7,961.10	B
GRI 302-3	Overall energy intensity of the Group					
by Gross Floor Area	GJ/m²	0.75	0.80	0.73	0.81	A

A Aggregated figure based on calculation error.

B Non-renewable fuel use calculation error.

C Change of scope: Heating and cooling paid as part of management fees is outside of BEA's operational control and considered out of scope.

The figures of 2016-17 total consumption of municipal fresh water were restated to include water utility only. Water intensity figures for 2016-17 were restated based on the revised data.

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TOPIC-SPECIFIC DISCLOSURES

Environmental

Emissions (HKEX A1)

The Group's Environmental Policy codifies our commitment to managing the environmental impacts of our business. We strive to comply with all relevant laws and regulations, including environmental protection legislation, in all locations in which we operate. Blue Care complies with all relevant laws and regulations regarding proper disposal of medical waste.

Paper is one of the main constituents of the waste generated by our business. The Group's Environmental Policy states our commitment to reduce paper consumption and waste, and increase recycling in our offices.

Air and greenhouse gas emissions are also covered by the Policy. The Group does not have a material impact on air emissions. However, we continued to collect and analyse air emissions data for our Hong Kong operations this year.

Use of Resources (HKEX A2)

As stated in the Group's Environmental Policy, we strive to reduce our consumption of energy, paper, water, and other resources throughout our operations. We also continue to leverage technology use among employees, customers, and shareholders to move toward efficient paperless systems.

The Environment and Natural Resources (HKEX A3)

As stated in our Environmental Policy, the Group is committed to managing its direct impact on the environment. We will explore the integration and consideration of a number of environmental criteria into our business decisions and the services that we provide.

Social

Employment (HKEX B1)

The Group complies with all applicable laws and regulations related to employment. The Bank has put in place the Code of Conduct, Staff Handbook and Equal Employment Opportunity, Diversity and Inclusion Policy, which clearly explains our commitment to non-discrimination and equal opportunity. In addition, the following branches and subsidiaries have a staff remuneration policy:

- BEA's branches in Macau, Taiwan, and overseas; BEA China; BEA Life; and Blue Cross

Health and Safety (HKEX B2)

The Group complies with all applicable laws and regulations related to health and safety. We have an internal Occupation Safety and Health Manual that is applied across the entire Group. Occupational health and safety training is delivered to all new joiners during staff induction and targeted campaigns on specific issues such as precautionary measures for Middle East Respiratory Syndrome are conducted as needed. The Bank has appointed a Corporate Safety Officer who is responsible for managing occupational health and safety issues, delivering training and conducting annual inspections of our premises.

Development and Training (HKEX B3)

The following branches and subsidiaries have an employee training and development policy:

- BEA's branches in Singapore and the UK; BEA China, BEA Life, and Blue Cross

Labour Standards (HKEX B4)

The Group respects the Universal Declaration of Human Rights and prohibits child and forced labour in its operations and supply chain. The Group has a Slavery and Human Trafficking Statement, available on our website.

APPENDICES — Additional GRI Standards Disclosures

Product Responsibility (HKEX B6)

Customer focus is a core value of the Group. We have various policies and guidelines to ensure customer satisfaction and protect personal data. The Bank has a General Guideline on Personal Data Protection which is referenced by other Group members. In addition, policies to protect customer data include:

1. Information Security Policy
2. Privacy Policy Statement
3. Staff Code of Conduct

The Bank fully complies with the Hong Kong Personal Data (Privacy) Ordinance. Each year, all staff members are required to successfully complete a refresher course on personal data protection. The Head of BEA's Compliance Division serves as Group Data Protection Officer. Other Group members make reference to the Bank's approach to develop their own personal data protection policies and procedures.

General Compliance (GRI 419)

To address growing regulatory requirements and enhance the "Three-Lines of Defence" model, Compliance Division is charged with overseeing and mitigating the compliance risks of the Group, communicating new regulatory requirements to affected units, delivering compliance advice for the implementation of relevant regulations, conducting regulatory compliance reviews using a risk-based approach, and regularly reporting compliance matters to the Senior Management. The Internal Audit Division independently assesses the design and operating effectiveness of the Group's risk management framework and internal control processes, and has a direct reporting line to the Audit Committee.

Anti-corruption (HKEX B7)

BEA's anti-corruption policies are clearly communicated to all staff members in the Bank's Code of Conduct, which is available via BEA's intranet. All employees are required to review the Code of Conduct on an annual basis, and sign to acknowledge that they understand and agree to the Code. Refresher training is periodically arranged to ensure that all Group employees are aware of the Group's zero-tolerance position on fraud, money laundering, and corruption. BEA's subsidiaries and joint ventures have similar policies that are in line with the Bank's stipulations and values.

The Group Policy on Anti-Money Laundering and Counter-Financing of Terrorism ("Group AML Policy") provides guidance on meeting the customer due diligence and record-keeping requirements under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance. It is mandatory for all Group members to comply with the Group AML Policy to the extent permitted by local laws. Relevant guidelines relating to anti-money laundering and counter-financing of terrorism are developed by the Bank to provide detailed guidance and assist Group members in understanding, implementing, and complying with the Group AML Policy. The Group AML Policy and guidelines are kept under regular review to ensure they remain responsive to legal and regulatory changes. The Group AML Policy and guidelines are available to staff members via the BEA intranet. The Bank also publishes its Statement on Anti-Money Laundering and Counter-Financing of Terrorism, and makes the Statement available for general public access via the Bank's corporate website.

Community Engagement (HKEX B8)

In 2015, BEA introduced a Group-wide policy on support for charitable causes, codified in the document Community Investment Guidelines, to ensure that Group support for charitable causes is in line with the Group's CSR Policy. We regularly engage with local communities in all our locations of operation through our volunteer teams and community investment initiatives.

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