

2024

Environmental, Social & Governance Report

環境、社會及管治報告



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2024 ESG HIGHLIGHTS

BEA at a Glance

(as at 31 December 2024)



8 Markets served¹

105

Years in business

Network coverage
~120

outlets worldwide

Total employees

7,800+

Total consolidated assets

HK\$
877.8
billion



ESG-related Indices and Ratings



FTSE4Good
Constituent

S&P Global

One of only four banks included in the **S&P Global Sustainability Yearbook 2024 (China Edition)**

MSCI

BBB rating



SUSTAINALYTICS

Low-risk rating



Climate: B rating

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

Message from the Executive Chairman



The banking industry plays a key support role in driving economic prosperity across the globe. With climate change accelerating and communities increasingly at risk of extreme events, the industry must also be part of the global effort to mitigate the impact of climate change through support for the transition to a low-carbon future.

We at BEA take this responsibility very seriously. At the end of 2022, we committed ourselves to achieving net zero financed emissions by 2050. That journey began with a near-term goal to measure emissions and set targets for our portfolios in carbon-intensive sectors by 2025. We have since focused on understanding the complexities of financed emissions, setting baselines and targets, and helping teams appreciate the challenges ahead. Many initial tasks were completed in 2024, including setting targets for two major industries—Automotive Manufacturing and Steel. BEA is now focused on achieving a set of interim targets by the end of 2030.

I am proud that BEA initiated and accomplished much of this work on our own, from in-house research on

financed emissions to fine-tuning our climate strategy. With guidance from international experts, our in-house talent is integrating net zero ambitions into our business, strengthening emissions-related data capabilities and training relationship managers to understand their roles in this journey.

These efforts are enabling us to more effectively support global net zero efforts. We are the first and only Hong Kong-headquartered bank to join the Partnership for Carbon Accounting Financials and the first Chinese member of the Net-Zero Banking Alliance. Our Group member, BEA Union Investment Management Limited, has adopted the guidance issued by Climate Action 100+ and United Nations Principles for Responsible Investment.

Locally, the Hong Kong Monetary Authority issued its Sustainable Finance Action Agenda in October 2024, outlining expectations for all banks in Hong Kong to strive for net zero in financed activities by 2050 and in operations by 2030. With our financed emissions targets and Net Zero Operations Execution Plan in place to guide our internal operations to net zero by the end of 2030, BEA is well-positioned to meet these expectations.

At the same time, we appreciate the risk of carbon tunnel vision—focusing solely on emissions at the expense of other sustainability priorities. This year, BEA conducted a double materiality assessment covering numerous economic, social and environmental issues to inform a holistic approach to sustainability. The results are being reflected in BEA's reporting, strategic planning and goals.

BEA's success is made possible by the contributions of the Board ESG Committee, BEA management and our colleagues across the Group. I am inspired by their collaborative spirit and extend my sincerest thanks for their dedication to BEA and our shared future. Looking ahead, I am confident that they will continue to move BEA closer to our vision of becoming the sustainability leader among financial institutions in Greater China and beyond.

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

Leadership Conversation with the Co-Chief Executives



BEA has been committed to sustainability for many years, establishing a dedicated team to enhance performance about five years ago. How does the Bank address the shifting expectations of regulators, customers, and other stakeholders?

► **Brian:**

Sustainability has always been important for BEA, and the magnitude of our efforts has evolved over time. Historically, the environmental impact of banks was primarily linked to electricity and paper usage in offices. After the Paris Agreement, however, banks, including BEA, have ramped up the financing of climate change mitigation and adaptation.

Over the past few years, we at BEA have been growing our sustainability function and deploying specialists in various areas, such as green and sustainable finance, to stay on top of the latest developments. This year, we conducted a double materiality assessment to understand stakeholders' current perspectives, explore how sustainability impacts BEA's business performance and guide our next steps.

► **Adrian:**

Our materiality assessment process identified a number of strategic priorities where BEA can emerge as the leader. Encouragingly, sustainable finance has become a pivotal strategic priority for BEA and our stakeholders, presenting an opportunity to drive positive impacts while growing our business. I am pleased to observe stakeholders both identified potential risks and also recognised the opportunities presented by more sustainable products and services.

Adrian, with those strategic priorities set for the future, what actions is BEA taking to address them?

► **Adrian:**

With robust ESG risk management processes in place, we are increasingly focused on capturing strategic opportunities. In 2024, we continued to promote our green and sustainable finance business, and at the end of December, 16.7% of the Group's total corporate loans and bond investments were classified as green and sustainable finance. We further explored opportunities in green and sustainable finance by organising an ESG Innovation Workshop in the Chinese Mainland for the first time. Our staff presented promising ways for us to decarbonise our financing and enhance our product offering for our customers. These proposals will continue to be developed in the coming year with the aim of implementing some, if not all, of these ideas.

Sustainability is also a powerful platform to engage with our communities. We recently hosted the inaugural Financial Literacy Carnival in Hong Kong, helping to drive positive social impact through financial education. This is both building stronger bonds with community members and progressing on our strategic priority of financial literacy and inclusion.

Brian, you mentioned that BEA has adapted its approach to sustainability over time. As the pace of change only accelerates, how are you equipping colleagues to keep abreast of these developments, while anticipating where BEA needs to go and how to get there?

Brian:
We are upskilling our people to embrace change and foster a culture of sustainability across the Group. This helps make BEA not only "future-fit", but "future-proof".

These efforts touch every aspect of our business. A Group-wide, mandatory ESG training programme is equipping staff with foundational knowledge to achieve our goals. We've taken a deep dive into climate change with interactive Climate Fresk workshops, giving senior managers and other colleagues a nuanced understanding of this complex topic.

BEA is also focused on embedding sustainability into our governance structure. We have organised ESG training for ESG Committee members. Meanwhile, Group Sustainability Champions have been appointed to deliver our strategy across our markets. We are seeing the results of our actions both in terms of awareness and engagement.



Looking back on the strides made this year and thinking about BEA's vision to be the sustainability leader among financial institutions in Greater China and beyond, how confident are you that the Bank is on the right path to achieving this ambition?

Brian:
Our vision to be the leader is not intended to frame sustainability as a competition, but to set a clear sense of direction for our staff. This approach has resonated with employees, with 91% reporting a favourable view of the Bank's progress on its ESG performance in our 2024 Employee Survey.

We are immensely proud of our team's successes in 2024. Colleagues delivered our message at major industry events, including The Hong Kong GreenTech Summit 2024 and ReThink HK 2024. We have taken steps to demonstrate leadership in this report, which has been prepared in alignment with the new International Financial Reporting Standards S2 Climate-related Disclosures.

Adrian:
We believe sustainability leadership is not about being the biggest or having the most resources. It is about fostering a strong commitment throughout our organisation, directed by dedicated management with a clear mission.

We are delighted that our efforts have been acknowledged by the international sustainability community. We are one of only four banks included in the S&P Global Sustainability Yearbook (China Edition) 2024 and were selected as a constituent of the FTSE4Good Index Series for the first time.

Looking ahead, we will continue to strive for measurable progress towards our goals and seek more opportunities for sustainability at BEA to benefit economies, societies and the environment across our markets, as well as our business.



ESG Performance Summary

(as at 31 December 2024)

Responsible Business

Climate-related Risk and Resilience



Developed transition plans for the Power and Energy (Oil & Gas) sectors



Began developing detailed customer engagement approaches to encourage customers to reduce their emissions



Developed a climate risk report, "Climate Risk Radar"

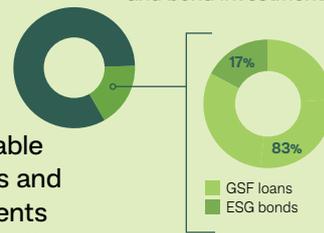


Enhanced climate-related risk assessment process for corporate customers

Sustainable Finance

HK\$ **81.5 billion**

Green and sustainable finance (GSF) loans and ESG bond investments (+15.4% year-on-year (yoy))



16.7% of total corporate loans and bond investments

Responsible Products and Services



↑ 16% increase in compliments yoy

+46 Net Promoter Score² (NPS)

Responsible Operations

Talent Attraction and Retention



99% response rate to Employee Survey 2024



91% of staff are positively engaged

Training and Development

HK\$ **11.5+ million** invested in training and development

~59 hours of training per employee (on average)

Operational Emissions Reduction

↓ 6% reduction in carbon emissions yoy (Scope 1 and 2 emissions)

Responsible Citizen



HK\$ **8 million** cash donations for the community



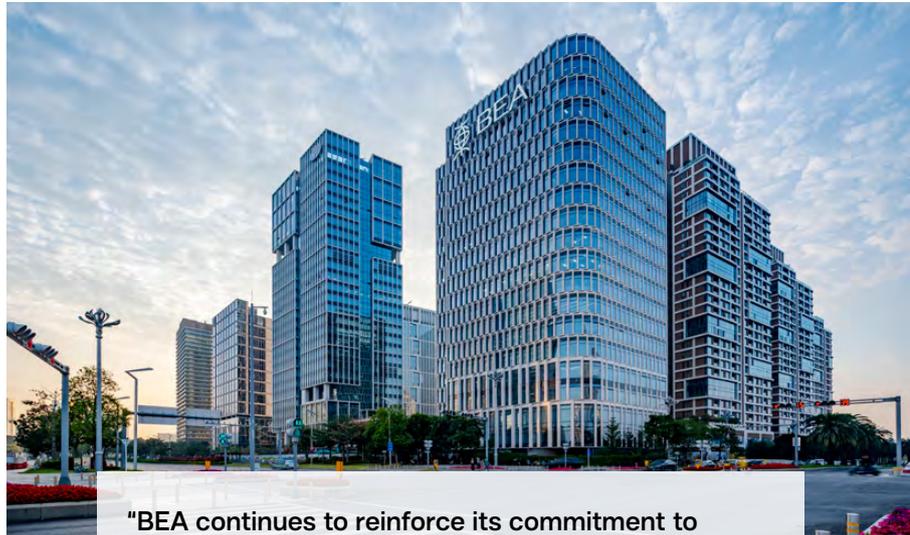
14,200+ hours of service contributed by our volunteers (+59% yoy)

² A metric that measures customer loyalty by assessing their likelihood of recommending BEA to others.

Our Progress

The Group made steady progress across numerous aspects of our sustainability strategy in 2024. Our achievements span the three Environmental, Social, and Governance (ESG) pillars of our materiality framework: Responsible Business, Responsible Operations, and Responsible Citizen.

BEA's ESG goals, including those outlined below, are developed by our ESG Work Group members, approved by our Board ESG Committee, and monitored throughout the year by the ESG Steering Committee. This ensures the Bank remains on track to achieve its sustainability vision.



"BEA continues to reinforce its commitment to sustainability, capturing opportunities to address climate change while remaining vigilant against ESG-related risks. I am pleased to report solid performance against our goals in 2024, driven by a dedicated workforce that is prioritising sustainability across our markets."

Brian Li
Co-Chief Executive

Pillar	Key Goals in 2024	Status
Responsible Business	Accelerate our progress towards achieving net zero financed emissions by measuring financed emissions, setting targets, and developing transition plans for the Group's carbon-intensive sector portfolios	Achieved
	Complete portfolio study on customers in carbon-intensive sectors and develop customer engagement strategies	In Progress
	Devise a strategic plan to manage bond investments in the Power and Energy (Oil & Gas) sectors	Achieved
	Develop a climate risk report to facilitate informed climate-related decision making	Achieved
	Enhance the existing counterparty-level assessment on ESG risk by introducing a climate risk assessment template for corporate borrowers	Achieved
	Continue to encourage adoption of digital banking among customers aged 60+	Achieved
Responsible Operations	Conduct energy audits of the Group's high-energy consuming buildings to inform the development of a Net Zero Operations Execution Plan	Achieved
Responsible Citizen	Align the Bank's community investment programmes with its ESG strategic priorities	In Progress

Our Progress

Responsible Business

BEA's commitment to responsible business practices touches every aspect of our products and services, enabling the Bank to drive positive impacts in diverse ways. In 2024, we focused on addressing some of the most significant challenges and opportunities in Asia and beyond, with an emphasis on:

- driving climate change mitigation and risk management efforts within our portfolios;
- growing our GSF business to better support sustainable financing;
- digitalising our products and services to enhance efficiency and accessibility; and
- adhering to the highest standards of ethical conduct that our stakeholders expect from BEA.

Building a Lower-carbon, Climate-resilient Portfolio

Recognising the important role we play in financing the global transition to sustainable business practices and achieving the aims of the Paris Agreement, BEA has committed to achieving net zero financed emissions within our portfolios by 2050. We are advancing this goal in line with the three pillars of our Scope 3 Net Zero Roadmap, and made significant progress in 2024.

"Integrating sustainability principles into business activities provides BEA with the greatest opportunity to have a positive environmental and social impact in the communities we serve. As we continue along our sustainability journey, our goals become more challenging to achieve, yet we made solid progress in 2024 through ingenuity and collaboration."

Adrian Li
Co-Chief Executive

We have also continued to improve our assessment and management of climate-related risks within our portfolios. In June, we enhanced the climate risk assessment process for customers in our corporate loan portfolio by introducing a new physical risk assessment tool that considers policy, legal, technology, market, and reputational transition risks alongside location-specific data.

To provide Senior Management with up-to-date information about climate-related risks, we developed our "Climate Risk Radar", a quarterly climate risk report which visually presents key elements of climate-related risks, including physical risks, transition risks, regulatory highlights, audit findings, and other thematic updates.

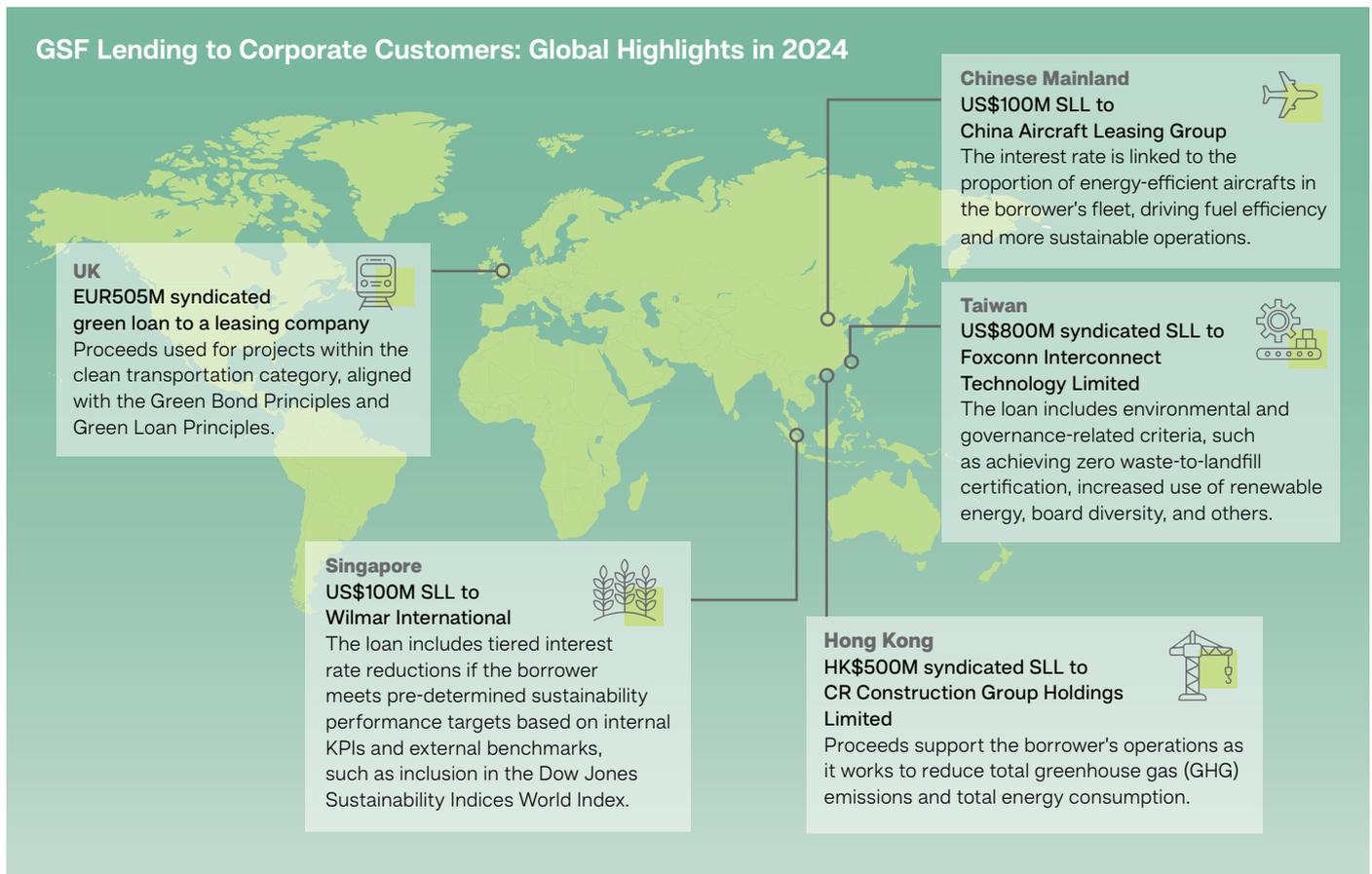
BEA's Scope 3 (Financed Emissions) Net Zero Roadmap

Pillars	Goals	Progress in 2024
1. Climate Financing Strategy 	Aligning our business activities and climate goals through sectoral baselining, target setting, sector policy enhancement, and more	Completed the measurement of financed emissions associated with the Group's carbon-intensive sector portfolios, covering the Aluminium, Automotive Manufacturing, Aviation, Cement, Commercial Real Estate, Energy (Oil & Gas), Power, and Steel sectors
		Set new emissions reduction targets for the Automotive Manufacturing and Steel sectors
2. Customer Transition Plan 	Identifying transition drivers and engaging with portfolio companies to implement emissions reductions within the real economy	Collected customers' transition plan data, facilitating the development of customer engagement strategies with business units
		Developed transition plans for the Power and Energy (Oil & Gas) sectors based on emissions data collected from customers
3. Climate and ESG Data 	Implementing robust data governance, requirements, and sourcing initiatives, while enhancing related systems to support our net zero efforts	The ESG data platform has been enhanced to better support the implementation of the Bank's net zero goal for financed emissions, with expanded analytic functions and coverage for both the dashboard and calculation of financed emissions for various sectors including Power, Energy (Oil & Gas), Steel, and more

Growing Our GSF Business across the Group

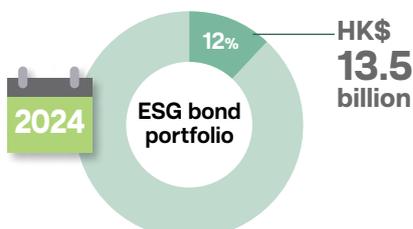
We have continued to develop and roll out new sustainability-focused products and services across the Group. In October, we successfully launched green deposits for corporate customers in Singapore. The framework for this product aligns with the four core elements of the Green Bond Principles, with proceeds used to finance or refinance projects that align with the Bank's broader GSF framework.

Through GSF lending and leveraging products such as sustainability-linked loans (SLLs), the Group is driving more sustainable practices in sectors that face some of the greatest sustainability challenges. These include hard-to-abate industries such as aviation and those with complex, global supply chains such as agribusiness.



ESG Bond Investments

We have continued to enhance the integration of sustainability into our debt investment strategy while tracking our progress. In 2024, we formulated a strategic plan emphasising active portfolio management for the Power and Energy (Oil & Gas) sectors. Our actions will be based on actual emissions data and portfolio maturity profiles, considering the transition plans of investee companies.



"The potential to drive positive impact through our portfolios is significant. Many investee companies align with our climate ambition, and we are increasingly directing more capital towards projects and businesses that support a lower-carbon, more sustainable future."

Samson Li
Deputy Chief Executive & Chief Investment Officer

Developing Cutting-edge, Inclusive Products and Services

Innovation has long been a core part of our DNA, keeping the Bank relevant and successful for over a century. As we continue to position ourselves for success in an increasingly digitalised world, we have prioritised responsible business practices from the ground up, addressing critical areas such as cybersecurity, data privacy, and financial literacy and inclusion within this evolving paradigm.

During the reporting period, we strengthened our digital capabilities by implementing a new cloud governance and risk management framework, adopting a cyber resilience assessment framework, and enhancing cybersecurity awareness training, among other initiatives.

These efforts to safeguard our systems and manage data responsibly underpin our ability to deliver

competitive services through online channels, such as the revamped BEA Mobile banking app. Featuring a suite of wealth management services, including up to 14 investment functions covering stock trading, unit trusts, linked deposits, and foreign currencies, it has been positively received.

Importantly, digitalisation not only enhances the efficiency and quality of our services but also drives financial inclusion. Following the launch of the revamped BEA Mobile app, we intensified our efforts to promote digital banking among mature customers who may benefit from the flexibility that online banking provides. These efforts resulted in an uplift in the digital active ratio for this group, rising to 25.5% in 2024, thereby bringing more customers into the seamless world of digital banking.



40.2% yoy increase in mobile financial transactions

3 percentage points (pp) yoy increase in the digital active ratio among mature customers

Investing in Sustainability

As a responsible business, BEA Union Investment Management Limited (BEA Union Investment) allocates capital in ways that not only generate returns but also promote sustainable development and a brighter future. We have integrated ESG factors into our investment and risk management processes, viewing sustainable investing as an integral element in fulfilling our fiduciary duties towards our clients.

In 2023, BEA Union Investment launched the BU Asia Impact Bond Fund, the first Hong Kong-domiciled impact bond fund authorised by the Securities and Futures Commission (SFC). It primarily invests in impact bonds including green, social, and sustainability bonds within Asia or denominated in Asian currencies.



In 2024, the fund and its inaugural impact disclosures received the GIP Best Green Transaction award from the Green Investment Principles (GIP) for the Belt and Road.

Our Progress

Responsible Operations

"While we remain focused on minimising the environmental impact of our operations, we at BEA have not lost sight of our people—we provide our staff with an environment that they enjoy working in, and can develop their career and achieve their potential."

Tong Hon-shing

Deputy Chief Executive & Chief Operating Officer



Employee Survey 2024

Growing a culture of sustainability

99%
response rate to the employee survey
(+8pp vs 2020)

91%
of staff are positively engaged
(+8pp vs 2020)

91%
of staff have a favourable view of the Bank's progress in ESG performance
(+9pp vs 2020)

91%
of staff believe their division/branch/company can have a clear impact on the BEA Group's ESG performance
(+5pp vs 2022)

As the Bank strives to create positive impact through our products and services, we are also integrating sustainability into our own operations to build a more environmentally responsible and resilient business, supported by employees who are empowered to contribute to our shared success. In 2024, we prioritised helping our employees thrive through tailored training and development activities, alongside impactful wellbeing initiatives.

Positive Feedback from Our Employees

We measure progress in enhancing the employee experience through annual employee surveys. These surveys offer valuable insights into various aspects of our employees' experiences, informing our approach to human capital management. The feedback enables us to design tailored programmes and initiatives in close collaboration with business units and subsidiaries.

Embedding ESG Capacities throughout the Group

Regulations, norms, and expectations are continuing to shift, with perspectives and requirements varying significantly across jurisdictions worldwide. BEA's commitment to assuming sustainability leadership necessitates equipping our people to navigate this dynamic and uncertain environment confidently.

In 2024, we launched an ESG training programme to build critical ESG-related capacities across our business. All staff, including Senior Management and Board-level ESG Committee members, are required to complete this mandatory training. The programme comprises three comprehensive modules on sustainability, climate change, and climate risk management, ensuring relevance to our Group's diverse business activities.

Key topics:

- **Why ESG matters to every one of us:** Building blocks, global trends and sustainability at BEA
- **The business case for ESG:** Financial materiality and BEA's top material topics
- **Climate change and business:** Climate basics and BEA's net zero journey
- **ESG in the financial services industry:** Responsible investment, sustainable banking and GSF at BEA

Looking ahead, we plan to expand ESG training offerings to address emerging needs, and establish a robust foundation for continued progress towards realising our sustainability vision.



3
training modules on sustainability, climate change and climate risk management

"To navigate ESG challenges and seize related opportunities, our people need the skills to embed sustainability into their work. Through focused training, we empower our staff to apply ESG principles where they matter most—in their decisions and actions, driving meaningful progress in advancing sustainability, and establishing a culture of shared responsibility."

Zoe Lau

General Manager and Group Head of People & Sustainability Division (GM & Group Head of PSD)

Supporting a Thriving Workforce

BEA adopts a holistic approach to employee development, making significant investments in structured training and development programmes, alongside wellbeing initiatives that help staff to perform at their best. Throughout 2024, we continued to offer a diverse range of training opportunities, developed internally and with the expertise of external experts. These programmes covered general topics as well as tailored, job-specific content.

Promoting Wellbeing

BEA aims to promote employee wellbeing within and outside the office. In 2024, we enhanced our paid paternity leave for full-time employees, extending it from 7 days to 10 days, effective from 2025. We also enhanced our office environments by installing air purifiers on every floor of the BEA Building in Singapore. Additionally, we conducted a gap analysis for five of our key office buildings in Hong Kong using the WELL Health-Safety Rating, which revealed that these buildings have fulfilled most of the rating's criteria.



HK\$ 11.5+ million invested in training and development

~59 hours of training per employee (on average)

2024 Training and Development Highlights



- The Design Thinking Mindset and Application Programme was expanded, with ~65% of the workforce in Hong Kong now having completed a design thinking workshop.
- The Greater Bay Area (GBA) Learning Accelerator raised awareness of the GBA and our cross-boundary business among all employees, while developing specific knowledge and skills for relevant staff.
- The Group Management Trainee (GMT) Programme included a five-month, on-the-job rotation in the Chinese Mainland.
- The ESG Learning Programme in the Chinese Mainland was developed with reference to the Enhanced Competency Framework (ECF) on Green and Sustainable Finance introduced by the Hong Kong Monetary Authority (HKMA). It offers over 100 courses aimed at strengthening the ESG capabilities of our staff.
- Training on influencing and stakeholder management skills was delivered to all people managers in the UK.
- The Mentorship Programme 2024 promoted team bonding and two-way communication among junior and senior colleagues in our New York and Los Angeles branches.

Tackling Operational Emissions

Driven by the principle of leading by example, BEA's long-term goal of achieving net zero emissions in our portfolio is complemented by our commitment to reach net zero emissions in our own operations by 2030, according to science-based pathways.



36.5%
reduction in our operational emissions compared with our baseline year of 2019. We are on track to achieve our 2030 target.

Net Zero Operations Execution Plan

Now five years on from our 2019 baseline, BEA has significantly reduced its operational emissions footprint. With an eye towards continuous improvement, in 2024, we conducted energy audits and desktop surveys for our 20 most energy-intensive premises across various markets and drafted a Net Zero Operations Execution Plan. The plan serves as a long-term blueprint for the implementation of energy saving and reduction opportunities until 2035.

The plan focuses on premises that accounted for more than 70% of the Group's total energy consumption in 2023. We target to more than halve our Group's Scope 1 and 2 emissions between the baseline year of 2019 and 2030 through a variety of measures. Residual emissions will be avoided through renewable energy and procuring carbon credits.

Managing Resource Use

Our operations consume significant amounts of electricity, water, and paper, and generate waste, including food waste from our staff canteens. BEA is committed to managing our resource use more sustainably, recognising

that it not only minimises our environmental impact but also offers opportunities to reduce costs and improve efficiencies. In 2024, we implemented several initiatives to better manage our footprint across key areas.

Major Initiatives

Energy 	Paper 	Waste 	Water 
Identified more than 45 energy saving initiatives to be implemented across different markets in 2025	Introduced digital business cards, reducing printed business card orders in Hong Kong by ~70% compared with 2023	The Bank has expanded its ban on single-use plastic (SUP) items for catering to the Singapore Branch, where they have stopped procuring SUP wares	Prioritised the use of Grade 1 Water Efficiency Label fixtures, such as water taps, shower heads, and other fixtures under the Water Efficiency Labelling Scheme in renovation projects
Completed Phase 3 of the Chiller Replacement Project at BEA Tower in Hong Kong, anticipating a ~40% efficiency improvement against a 2019 baseline once all phases of the project are complete	Leveraged digitalisation initiatives to reduce paper orders for Hong Kong operations by ~80% against a 2020 baseline	Implemented a food waste recycling initiative at our Head Office canteen, diverting food waste from landfill	Joined the Quality Water Supply Scheme for Buildings and received Gold and Silver certificates in the Fresh Water (Management System) categories for our main office buildings in Hong Kong
 <p>Installed solar photovoltaic (PV) panels at our Head Office, capable of generating ~16,000 kWh of electricity per year</p>	Installed new printers in BEA Union Investment's office, reducing paper use for black and white printing by ~9% compared with 2023	Partnered with Hong Kong Battery Recycling Centre (HKBRC) to recycle waste lead-acid batteries (WLABs)	
Adopted automatic lighting control systems with high-efficiency lighting systems in newly renovated offices and branches			
Installed electric vehicle chargers at our premises in Hong Kong and the Chinese Mainland			

Our Progress

Responsible Citizen

Our goal is to achieve positive impacts through our community projects and charitable partnerships by fostering strong relationships and maximising synergies that leverage complementary resources, knowledge, and skills. Through our foundations and volunteer teams, we implement meaningful programmes in three key areas: education, social welfare, and the environment.



14,200+ hours contributed by our volunteers (+59% yoy)

HK\$ 8 million in cash donations made by the Group

Education Environment

Beyond Environmental Arts Festival



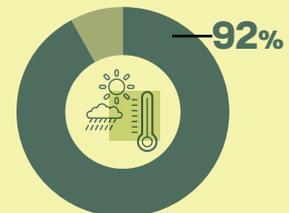
BEA has partnered with the Hong Kong Youth Arts Foundation since 2022 to raise public awareness of environmental topics through visual and performing arts, with sponsorship from The Bank of East Asia Charitable Foundation Limited (BEA Foundation).

In 2024, the third "Beyond Environmental Arts Festival" (BEA Festival) welcomed over 2,500 participants, including 850 teachers and students from 16 schools, with support from 250 staff volunteers.

Centred on the theme of climate change, this year's BEA Festival promoted sustainability and encouraged participants to adopt low-carbon living through a series of fun activities including "Voices of Change: Open-air Music and Films", a theatrical performance, "The Eco Heroes", creative arts workshops, and screenings of dance video. Participants also enjoyed a collection of artworks created by local artists, students, and BEA volunteers.

Over the past three years, BEA Festival has attracted

5,800+ participants including **~600 staff volunteers**



In a follow-up survey in 2024, 92% of respondents agreed their understanding of climate change improved after participating in the activities.



Social Welfare



Palliative Care for the Elderly

BEA is dedicated to supporting the senior community—not only through our products and services, but by actively partnering and volunteering to address their needs. Since 2010, the BEA Foundation, "la Caixa" Banking Foundation, and The Salvation Army Hong Kong and Macau Territory have collaborated on "Palliative Care for the Elderly" (the Programme). This initiative aims to enhance the wellbeing of older adults in end-of-life care and improve the quality of life for Hong Kong's ageing population.

With the theme of "Golden Adventures" running from 2023 to 2026, the Programme goes beyond enhancing the wellbeing of older adults in end-of-life care. It also promotes volunteer participation and holistic elderly care, while encouraging retirees and seniors to proactively manage their finances, health, interests, and goals as they navigate the second half of life. Activities such as fitness sessions, soft meal preparation, terrarium workshops, yum cha gatherings, day

camp and others were organised for seniors, supported by over 550 staff volunteers during the reporting year.

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

Key Outcomes from 2010 to 2024

	1,600+ elderly individuals received integrated care 1,200+ family members received counselling
	Established a collaborative support network that includes: 16 residential care homes 20 collaborating elderly centres and hospital units
	7 seminars, international conferences and symposiums organised to share knowledge and best practices for the medical-social sector
	9,500+ healthcare professionals* have received training in palliative care education through the Programme (*including doctors, nurses, and social workers)
	43,000+ citizens engaged in outreach programmes, such as roadshows, seminars, and community activities

Education

Financial Literacy Carnival

As an advocate for financial wellbeing, BEA strives to promote financial education and literacy within our communities.

In December, we co-organised the "Financial Literacy Carnival" with St. James' Settlement to promote financial knowledge among primary students through interactive workshops and game booths, featuring the local cartoon character "McDull".

Activities during the three-day event centred on four money management topics. Interactive workshops were hosted by staff volunteers and interesting game booths were designed to help children differentiate between needs and wants, learn about digital payments, create a budget and protect against fraud. Over 500 primary students, teachers, parents, and social workers participated in the carnival.



Education Social Welfare Environment

Green Firefly Project



Established in 2009 by the Shanghai Soong Ching Ling Foundation and BEA China, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund is dedicated to improving educational opportunities for children attending rural schools in the Chinese Mainland. Unlike schools in more affluent urban areas, rural schools often lack basic resources such as educational materials, or school supplies, or even hot water.

The Fund's "Green Firefly Project" aims to simultaneously advance education, environmental protection, and emissions reduction. Working closely with selected schools and

BEA China's network of outlets on the Mainland, the Fund establishes Green Firefly Centres, equipping them with computers, audio-visual equipment, furniture, and more.

In 2024, four new Green Firefly Centres were established, bringing advanced display screens, digital tablets, and new desks and chairs to additional rural schools. Solar power systems at the centres promote awareness of environmental protection and carbon emissions reduction among students, while also reducing the project's impact on the environment.

2024

4 new Green Firefly Centres established

Donated backpacks containing school supplies to **2,000+** rural students



117 Firefly Centres, including 7 Green Firefly Centres established since 2009

6,600+ hours of online empowerment training organised for 238 rural principals and teachers



Community Programmes in Other Markets

Social Welfare

BEA volunteers helped alleviate hunger, support access to healthcare, and address social exclusion associated with poverty and homelessness through fundraising, food drives and donating old phones.



World Vision Macau's Skip-a-Meal Campaign



"Community Calling" project in the UK



Walk for Rice event in Singapore



Los Angeles Food Bank volunteer event



Kechara Soup Kitchen in Kuala Lumpur

Environment

BEA volunteers rolled up their sleeves to do their part for the environment by participating in clean-ups and supporting habitat restoration.



Habitat Restoration Day in the UK



Earth Day cleanup at Zhongjiao Bay in Taiwan

Education

BEA volunteers forged stronger ties with other community members and enhanced their knowledge and skills.



An educational visit to Transmac-Transportes Urbanos De Macau, S.A.R.L., a local bus company



Fraud prevention education for the elderly in Los Angeles

ESG APPROACH AND 2024 PERFORMANCE

About this Report

[GRI 2-2, 2-3]

Report Coverage

Our 2024 ESG Report describes the BEA Group's approach to sustainability and our performance for the financial year ended 31 December 2024. It focuses on the sustainability matters identified as material to the Group and our stakeholders and discloses details of our sustainability vision, strategy, and governance.

Our report is presented in two main sections. The [2024 ESG Highlights](#) section is intended to inform our stakeholders of major developments across the Group. More detailed information about how we manage material sustainability matters and our annual performance is presented in the ESG Approach and 2024 Performance section, as well as the [Appendices](#).

This report can be read in conjunction with our [Annual Report 2024](#), which presents our financial and business performance in detail. During the reporting period, there was no significant change in our scope of business.

BEA and its major subsidiaries³

(collectively the BEA Group or the Group)

Group members		Products & services
The Bank	The Bank of East Asia, Limited (BEA or the Bank)	- Wholesale and personal banking - Wealth management - Treasury services
	Macau Branch	- Wholesale banking
	Taiwan Branch	
	Kuala Lumpur Representative Office (KLRO)	- Liaison services
	Singapore Branch	- Wholesale banking - Wealth management
	UK Branches	- Wholesale and personal banking
	US Branches	- Wholesale banking
Subsidiaries	The Bank of East Asia (China) Limited (BEA China)	- Wholesale and personal banking
	Bank of East Asia (Trustees) Limited (BEA Trustees)	- Mandatory Provident Fund (MPF) services
	East Asia Securities Company Limited (East Asia Securities)	- Securities broking
	East Asia Futures Limited	- Futures and options broking
	BEA Global Services Centre (Guangdong) Co., Ltd. (GSC) (Formerly known as East Asia Digital Information Services (Guangdong) Limited)	- Back-office operations and services (e.g., customer contact centre, data processing, application system development, maintenance and support, security operation support and management, telemarketing, risk and compliance, securities settlement and lending operations)
	BEA Union Investment Management Limited (BEA Union Investment)	- Asset management
	BEA Union Investment Management (Shenzhen) Limited	- Wholesale financial advisory

³ The reporting boundary excludes our joint ventures and associates, investment holdings, and subsidiaries that do not directly support the Bank's operations or are not expected to significantly impact the Bank's social and environmental performance.

Reporting Standards and Assurance

Our 2024 ESG Report is approved by the Board and is prepared in accordance with the following regulations and standards:

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

This report was also developed with reference to International Financial Reporting Standards S2 Climate-related Disclosures (IFRS S2) (incorporating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)) and the conceptual foundations of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information. It also follows a “comply-or-explain” approach to the HKMA’s Supervisory Policy Manual (SPM) GS-1 on Climate Risk Management.

Content index tables in the [Appendices](#) list out the information reported according to the recommended disclosures of the above-mentioned standards and frameworks.

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

Reporting Principles

We have adhered to the GRI Standards and the Stock Exchange’s ESG Guide Reporting Principles, as well as the conceptual foundations of the IFRS Sustainability Disclosure Standards, in the preparation of this report.

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

We Welcome Your Feedback

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

Email: Sustainability@hkbea.com

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

About BEA

[GRI 2-1, 2-6]

Corporate Profile

Incorporated in Hong Kong in 1918, BEA is a leading Hong Kong-based financial services group listed on the Stock Exchange with total consolidated assets of HK\$877.8 billion as at 31 December 2024. We are dedicated to providing a comprehensive range of wholesale banking, personal banking, wealth management, and investment services for individuals and businesses across different industries throughout Greater China and beyond.

Over the past century, the Bank has grown from humble beginnings in Hong Kong to expand across the Chinese Mainland and into other major markets around the world. We maintain one of the largest retail networks of any bank in Hong Kong, and our wholly-owned subsidiary, BEA China, operates one of the most extensive networks of any foreign bank in the Chinese Mainland.

To support people and businesses with links to Hong Kong and the Chinese Mainland, we have established a presence in Macau, Taiwan, Malaysia, Singapore, the UK, and the US. Globally, the Group employs over 7,800 people who serve our customers through approximately 120 outlets.

Our Corporate Vision, Mission, and Core Values

Vision

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

Mission

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

Sustainability Vision

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



Our Approach to Sustainability

[GRI 2-9, 2-12, 2-13, 2-14, 2-17, 2-18, 2-22, 2-23, 2-25, 2-26, 2-27, 2-29, 3-1] [IFRS S2]

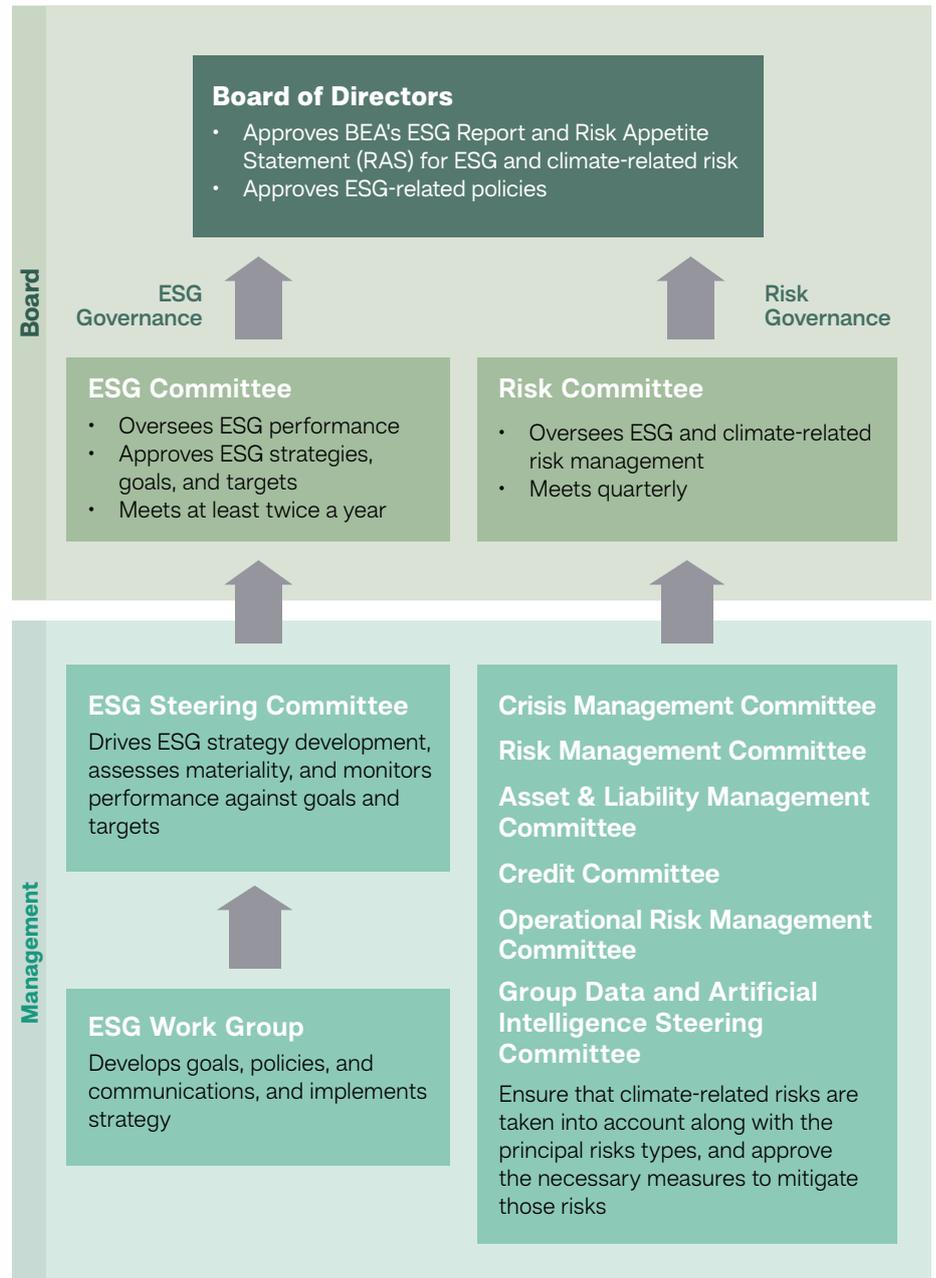
Corporate Governance

Accountability and transparency are foundational to BEA and our corporate governance approach. High standards of corporate governance are essential for delivering on our corporate and sustainability strategies, and they help us appropriately balance the interests of our shareholders, customers, employees, and other relevant stakeholders. Together, the Bank's corporate governance framework and Corporate Governance Policy direct and guide the business affairs of the Group, defining key Group members and their roles for effective governance policies and processes. Further details can be found in the Corporate Governance Report in our [Annual Report 2024](#), as well as in additional documents published on our [website](#).

Board Statement

The Board recognises the significance of ESG matters to BEA in terms of the Bank's external impacts, both positive and negative, as well as the risks and opportunities they present for our business. We view BEA's financial and non-financial performance as intrinsically linked and pivotal to long-term success. Taking full responsibility for the Bank's sustainable development, the Board is committed to promoting the development of sustainability-related capacities throughout our organisation and ensuring our actions align with global standards, stakeholder expectations, regulatory requirements, and growing calls for transparency and accountability.

BEA's Approach to Integrating Sustainability and Climate Matters into Corporate Governance



Strategic roles and responsibilities

The Board oversees the Group's strategies, goals, and targets in relation to material sustainability and climate-related matters. In carrying out its duties, the Board is supported by the ESG Committee, which is further supported by the ESG Steering Committee and the ESG Work Group. The Board is regularly updated on ESG-related matters through quarterly reports and presentations, with two Board meetings specifically dedicated to discussing ESG and climate-related topics on the agenda.

Our directors also participate in relevant training programmes and workshops related to ESG, climate-related risk, and other salient topics. To keep directors abreast of the ever-evolving ESG landscape and enable them to effectively discharge related duties, the Bank provides information on ESG-related conferences, programmes, seminars, and workshops once every two to three weeks for Directors' consideration. In 2024, all our Directors received training on both climate-related topics and broader ESG-related topics.

The **ESG Committee** is appointed by the Board to oversee the Group's ESG performance. Chaired by an Independent Non-executive Director with extensive sustainability experience, who also serves as the Chairman/Vice Chairman of a number of industry associations and coalitions⁴, the ESG Committee is responsible for, among other things, reviewing and approving ESG strategies, goals, and targets; evaluating the latest climate-related trends; approving roadmaps and action plans to achieve net zero emissions; monitoring progress; and making recommendations to the Board. The ESG Committee receives quarterly updates from the Sustainability Department (SUD). It also reports directly to the Board at least twice a year. An overview of the Committee's composition and Terms of Reference is available via our [website](#).

The Board-level **Risk Committee** oversees the management of the Bank's ESG-related risks, including climate-related risks, and reports to the Board every quarter. Two members of the ESG Committee, including the Chairman of the ESG Committee, also sit on the Risk Committee. The Risk Committee members possess extensive knowledge of risk management, including

a growing understanding of ESG and other emerging risk areas.

As BEA views climate risk as a transverse risk that can be manifested in different traditional risk types, we make use of the established Enterprise Risk Management (ERM) framework and network of risk owners and controllers to manage and oversee these risks. The ESG Risk & Oversight Department (EROD) of the Risk Management Division acts as the coordinator to support the Group Chief Risk Officer (GCRO) in implementing climate-related risk management initiatives. The RAS for ESG and climate-related risks, the climate risk stress test (CRST) results, and any significant climate-related risk matters are regularly reported and escalated to Management Committees and the Risk Committee for review and are subsequently reported to the Board.

The **ESG Steering Committee** operates under the ESG Committee. The Steering Committee is chaired by Mr Brian Li, Co-Chief Executive, and comprises the Deputy Chief Executive & Chief Operating Officer, as well as general managers of divisions that play a key role in BEA's

Embedding Capacities in the Boardroom



With an organisation-wide approach to sustainability that encompasses numerous complex topics, we believe our people must be equipped with the latest knowledge to achieve our ESG-related goals—and this begins in the boardroom. Starting from 2024,

members of our board-level ESG Committee are required to complete mandatory ESG and climate-related training each year.

Given the impact that the Power and Energy sectors have on our climate and BEA's portfolio, we arranged Board training in January to provide

our Directors with insights into how CLP Power Hong Kong Limited (CLP) is navigating the energy transition. In November, the Board training covered an overview of climate-related risks and opportunities relevant to the Bank, including implications of our net zero commitments, impacts on BEA's reputation, and effects on supply chains.

⁴ Including the Board of Examiners of the Hong Kong Sustainability Award launched by the Hong Kong Management Association (Chairman) and the Board of Cascale (formerly known as Sustainable Apparel Coalition) (Vice Chairman)

ESG performance. In addition, apart from sitting on the Risk Committee and related Management Committees, the GCRO is a member of the ESG Steering Committee tasked with managing and reporting on ESG and climate-related risks. The ESG Steering Committee is responsible for driving ESG strategy development, assessing the materiality of existing and emerging ESG topics, as well as monitoring ESG goals and targets and reviewing performance, which are then reported to the ESG Committee.

BEA's **ESG Work Group** comprises department heads selected by the Bank's general managers and it is chaired by the GM & Group Head of PSD, who also serves as a Director of the BEA Foundation. The ESG Work Group is responsible for formulating ESG goals and implementing strategies set by the ESG Steering Committee, identifying ESG-related risks and opportunities that may be escalated

to the ESG Steering Committee for consideration, and supporting ESG-related policies review, reporting, and other forms of stakeholder communication.

Cross-functional work streams have been established to support the Work Group in achieving specific ESG objectives, including reporting and disclosure, and GSF initiatives.

Coordinated implementation efforts

Colleagues across the Group collaborate to deliver BEA's comprehensive sustainability strategy. SUD drives Group-wide initiatives at the working level, leveraging specialist expertise to address strategic sustainability priorities. For example, in managing climate-related risk and resilience, SUD works closely with relevant departments and units to implement BEA's net zero roadmaps. This includes EROD, which is responsible for ESG and climate-related risk management initiatives, and Facility Management

Department (FMD), which integrates more sustainable practices into the operation and maintenance of our premises in line with our goals, including operational emissions targets. The Data Science & Governance Department (DSGD) helps explore and identify data solutions to track ESG performance, such as monitoring financed emissions and improving overall efficiency.

Specialist expertise is also critical to continue the growth of the Bank's sustainable finance business globally. Our Wholesale Banking Division (WBD) has established a dedicated GSF advisory team and specialised SME GSF advisory team, both of which support customers from Hong Kong in their green transitions. Similarly, a dedicated GSF team at BEA China leverages local expertise and resources to advance our GSF business in the key Chinese Mainland market.

Sustainability across the Group

Other Group members, including BEA China and BEA Union Investment, have established their own ESG governance structures based on their unique business and operational contexts. For details, please refer to [BEA Union Investment's Sustainable Investment Policy](#).

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

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

Championing Sustainability across the Group

As a bank with a presence in various regions, we approach sustainability with a global perspective while recognising the importance of localisation and the support of teams across our markets. In 2024, we brought more colleagues into the fold by appointing Group Sustainability Champions to represent branches

in Macau, Taiwan, Singapore, the UK and the US in the Group's sustainability efforts. These Champions are tasked with facilitating effective communication with the Head Office for intelligence sharing, and ensuring that Group sustainability efforts are strategically aligned across markets.

"Serving as a Sustainability Champion is both a privilege and a responsibility. I was inspired by the Bank's inclusive approach to double materiality assessment conducted in 2024, which allowed me to contribute my opinion on ESG topics that matter most to me. Every employee has a part to play in realising BEA's sustainability vision. This journey has so far deepened my confidence that we are taking an active role in defining true sustainability in the financial services industry together."

Lau Tze-ann
 Manager, Risk Management
 Sustainability Champion, BEA Singapore Branch

Guiding policies and compliance

We have policies in place to govern the Group's approach to various sustainability topics. The Group policies are reviewed and updated regularly to reflect changes in regulatory requirements, the business environment, and stakeholder expectations. A list of our ESG-related policies, as well as relevant external references, is available in the [Appendices](#).

Systemic risk management

Managing capital for customers around the world, BEA plays an important role in interconnected global markets. We recognise that the impacts of our activities are felt well beyond our own balance sheet, and that prudent risk management is more than a benefit to our business—it is one of the Bank's most significant economic and social contributions. This makes systemic risk management both a financial imperative and an important sustainability topic for the Bank.

The Group has formulated policies and procedures to identify, measure, monitor, control, and report on the various types of risk. Risk appetite is set to define the

accepted and tolerated levels of risk and return. A robust capital adequacy position is maintained in compliance with regulatory and internal requirements.

For more information about the risk management and internal control systems of the Group, please see the Principal Risk Management section of our [Annual Report 2024](#).

Enterprise risk management

The Bank has implemented an ERM framework to identify and manage potential risks, including ESG and climate-related risks, in a holistic and effective manner. Fundamental to the ERM framework is the "Three Lines of Defence" model, comprising:

- Risk Owners as the first line of defence,
- Risk Controllers as the second line, and
- The Internal Audit Division (IAD) as the third line.

To foster a robust risk culture, we roll out regular risk management education for all Directors, including non-executive Directors and focused training on ERM throughout the organisation on risk management

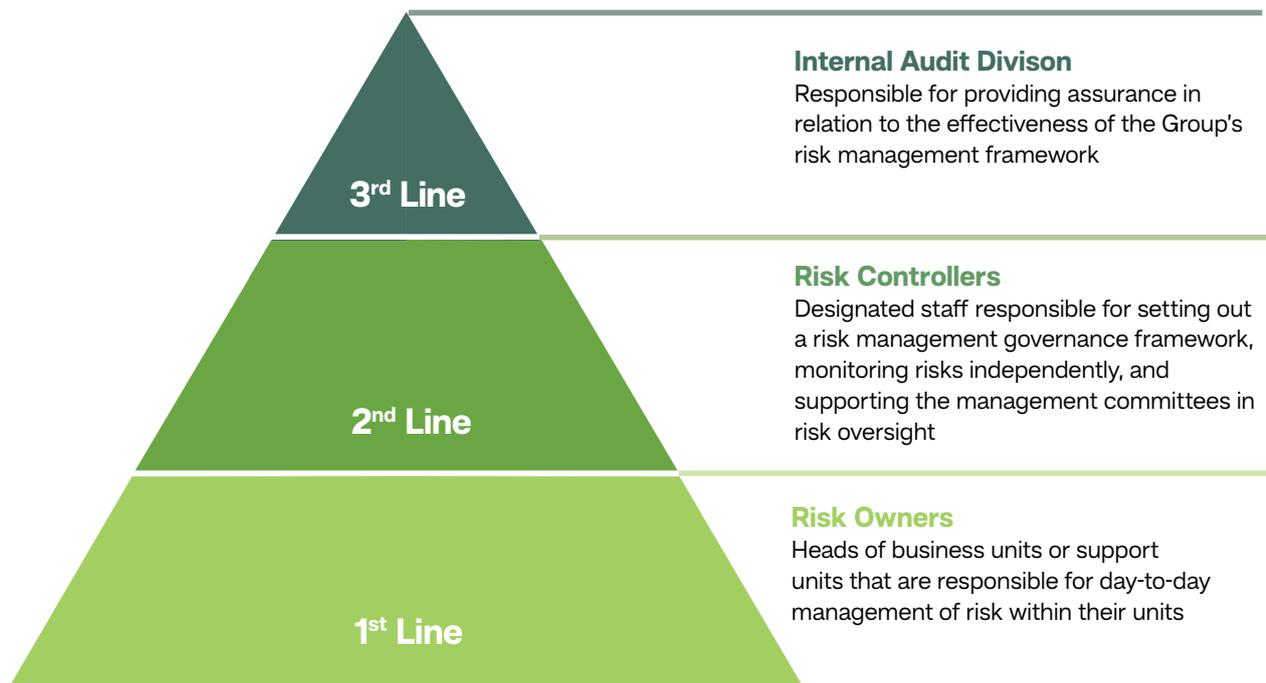
principles and specific risk types, such as operational and reputation risks, throughout the organisation.

Further details of our climate-related risk management approach are available in the [Climate-Related Risk and Resilience](#) section.

Emerging risks

Emerging risks are issues that will imminently crystallise and are likely to have a significant impact to the Group, or whose impacts are more uncertain and likely to crystallise along longer-term time horizons. Emerging risks are typically high level and thematic, such as ESG risk, third-party risk, and others.

Under the ERM, emerging risks are reported to the Risk Committee based on the latest market developments and the Bank's own condition, as well as the upcoming supervisory focuses of regulators. Selected emerging risks will be closely monitored by designated parties in the Bank. As these issues progress towards crystallisation, the Bank continuously refines its understanding of their nature and potential impact.



Our Sustainability Strategy

Our sustainability strategy guides us towards achieving our vision to be the leader among financial institutions in Greater China and beyond. This strategy is grounded in materiality assessments and stakeholder feedback, helping us prioritise our efforts effectively. For detailed information on our materiality assessment, please see the [Our Material ESG Topics](#) section.

Built on a foundation of strong governance, a corporate culture of sustainability, and robust sustainability capabilities, we consistently review our progress on material ESG topics, which are organised into three pillars: Responsible Business, Responsible Operations, and Responsible Citizen.

Within these pillars, we have set goals and targets, and developed initiatives to drive sustainable outcomes. Additionally, effective communication and engagement are vital components of our strategy, enabling us to realise our sustainability vision and demonstrate our leadership in ESG.

Tracking our performance

We recognise that embedding sustainability into daily operations requires the collective effort of colleagues across our business. To ensure our people understand how their contributions help us to achieve our vision, we have built ESG goals, including those that are climate-related, into our Bank-wide scorecard and linked ESG performance to the annual performance review for

all applicable staff. This helps establish ownership, accountability, and transparency around the Bank's ESG and climate-related goals and the critical role that individuals in various departments play in achieving them. The Bank's ESG scorecard is managed by the Head of Sustainability, with ESG goals also placed on divisional and departmental scorecards. These goals are monitored for progress and reported to the Board-level ESG Committee.

A summary of key ESG goals and achievements in 2024 is outlined in the [ESG Performance Summary](#) section. Updates on our progress are provided in the Programme and Initiatives sub-sections of each ESG pillar chapter and the [Our Performance](#) chapter of this report.

Our ESG Materiality Framework

Pillar	What it means to BEA
Responsible Business	To act with integrity, comply with applicable laws and regulations, and set the same standards for our suppliers
	To offer products and services that support small businesses, marginalised groups, and companies or projects that create value for society and the environment
	To consider ESG in our risk management process, and work with internal and external stakeholders to promote corporate responsibility and sustainability
	To treat all customers fairly and with respect, and provide accessible services for all our customers, while protecting customer data privacy
	To provide high-quality products and ensure customers have access to full and accurate information to make informed decisions
	To manage risks to capital appropriately and avoid negative impacts on the financial system
Responsible Operations	To invest in people development and training
	To provide a safe, healthy, and inclusive working environment
	To promote equal opportunities among all employees and job applicants
	To encourage open dialogue between Senior Management and staff
	To minimise the environmental footprint of all premises including office areas, branches, data centres, and other facilities that are under the Group's full operational control, with a particular focus on reducing energy consumption, carbon emissions, paper use, and waste
	To promote eco-conscious behaviour in our employees, customers, and suppliers
Responsible Citizen	To leverage our resources to make a positive contribution to the communities in which we operate
	To encourage employees to connect with their communities through volunteering activities

Our Material ESG Topics

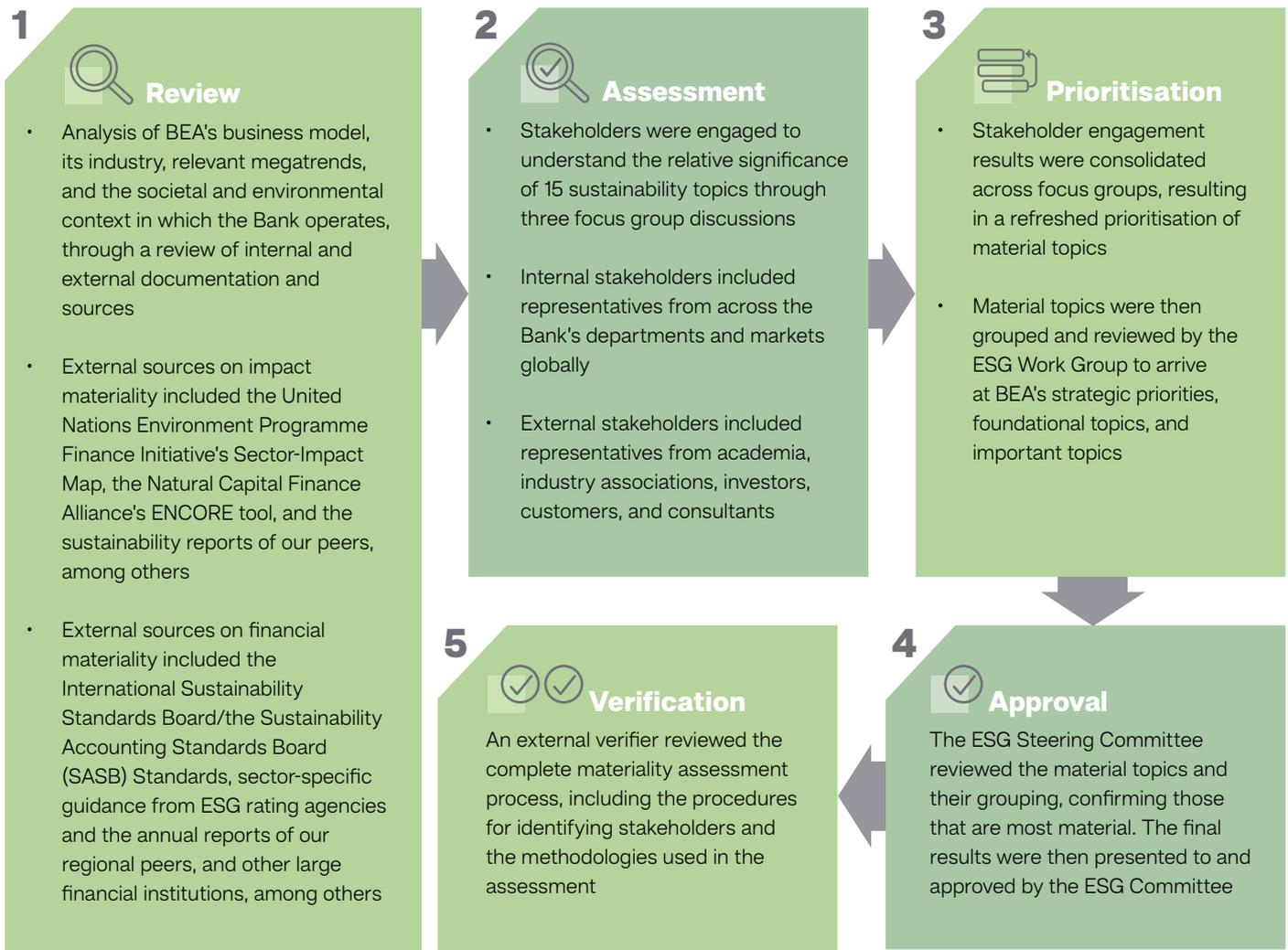
Stakeholder engagement and materiality assessment

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

In 2024, we worked with an independent sustainability consultant to review our material topics through the lens of double materiality. The assessment leveraged guidance on impact materiality from the GRI Standards and financial materiality from the IFRS Sustainability Disclosure Standards⁵. Deeper engagement with both concepts has resulted in the addition of a new material topic, systemic risk management. Please see the [Systemic Risk Management](#) section for more detail.



Our materiality assessment process involves five phases:



⁵ This included the concept of impact materiality set out in the GRI Standards: "topics that represent an organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights". It also included the concept of financial materiality in the IFRS Sustainability Disclosure Standards, which require companies to identify all risks and opportunities that could reasonably affect a company's prospects and to disclose the information related to those risks and opportunities that is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

Topics are presented in order of their significance, from top to bottom, within each category.



Our strategic sustainability priorities

This year’s materiality assessment process reinforced our focus on the Bank’s most pressing sustainability matters. As a result, we have identified a number of strategic priorities that represent BEA’s most significant areas of sustainability-related impacts, risks, and opportunities over the short- to mid-term. Importantly, these matters are not only significant to BEA alone—they also represent areas in which

stakeholder expectations and the external environment are rapidly evolving. Going forward, we will respond by proactively managing these matters to maximise our contributions and capture opportunities, while mitigating downside risks to our business and negative external impacts.

The Bank continues to keep in view the foundational and other important topics that remain key aspects of our holistic approach

to sustainability. We believe these topics can generally be managed consistently with ongoing practices under either an active or responsive approach.

More information about the impacts, risks, and opportunities associated with each material topic is presented in the [Appendices](#) of this report.

⁶ The topic was previously known as "Treating Customers Fairly," which specifically referred to the HKMA's Treat Customers Fairly (TCF) Charter. However, external stakeholders unfamiliar with the Charter might interpret the topic differently. The proposed new topic title aims to better engage and resonate with these external stakeholders.

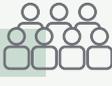
Stakeholder communication

We value regular, honest, and open dialogue with our stakeholders. This enables us to understand and address their diverse needs and expectations. Our engagement efforts are informed by a comprehensive mapping of our stakeholders, which has

identified six key groups. We will review and reassess this mapping each year to ensure it remains relevant.

Topics that are relevant to each stakeholder group are presented in the [Appendices](#) of this report. The views of

our key stakeholders directly inform our sustainability strategy and help us identify and manage our ESG impacts, and shape our ESG reporting.

Stakeholder		Needs and Expectations	Engagement Channels
Customers 	We listen to our customers to understand their needs and respond with services and products that offer service excellence while managing relevant sustainability topics that matter to them.	Innovative solutions developed and delivered responsibly	Customer feedback channels
		Transparent product-related disclosures	Customer events
		Resources for financial education and decision making	Sustainability communications via the Bank's website and social media
		Sustainable investment options	
		Safe and inclusive branch premises	
Shareholders/ Investors 	Our shareholders expect good returns on their investment in our Group, and they are keen to know what we are doing to ensure our business is future-fit.	Prudent risk management, including systemic risk management	Annual General Meetings
		Long-term value creation	Corporate communications
		Incorporation of ESG factors into investment processes	Communications with ESG rating agencies and ESG indices representatives
Regulators 	We seek input from our regulators and share our developments and challenges with them to ensure that we are addressing the risks and seizing opportunities in our major markets.	Compliance with applicable requirements	Participation in industry events
		Frequently updated, transparent disclosures	Communications with regulator representatives
		Fair and ethical conduct	Responding to information requests
		Contribution to the growth of sustainable finance in the industry	
Employees 	Our employees are key to the growth of the Group. We maintain frequent open communication to understand their needs and how BEA and its people can grow together.	Transparent and fair decision making	Bank-wide and divisional town halls
		Training and career development opportunities	Focus groups
		Competitive remuneration and benefits	Employee surveys
		Supportive culture and engagement	Staff e-Newsletters
		Safe, inclusive workplaces	Sustainability communications via BEA's intranet
Community 	We have forged strong ties with local communities, including the people of Hong Kong who we have served for more than a century. We engage non-governmental organisations (NGOs) and members of the general public through the BEA Foundation.	Engagement to understand community needs	BEA Foundation programmes, as well as the programmes organised by our foundations in the Chinese Mainland, and the efforts of our staff volunteers in other markets we serve
		Programmes, products and services that address shared challenges, such as climate change	
		Tailored banking services for community members in need	
Suppliers 	We aim to create positive impact and minimise negative impacts on the economy, environment, and people in our supply chains.	Clear guidance on ESG-related expectations	Published supplier requirements and principles
		Ethical and transparent procurement practices	

Our Sustainability Pillars

Responsible Business

Robust governance, independence, ethics, and compliance are non-negotiable contributors to BEA's success. We conduct business responsibly in compliance with relevant laws and regulations and integrate our commitment to sustainability into our relationships with customers, suppliers, and other stakeholders. Our approach infuses trust into our brand and industry, enabling us to grow responsibly while positively influencing the communities in which we operate.



Sustainable Finance

[Aspect A3, A4]
[GRI 201, 305] [IFRS S2]



Why it matters

ESG-related challenges increasingly present both investment risks and opportunities. As customers and other stakeholders expect financial institutions to manage these alongside traditional financial risks, innovators are fast developing solutions to a range of sustainability issues. Directing capital toward these effective solutions not only drives positive impact—it unlocks significant business potential.

With deep roots in key Asian markets and a worldwide reach, BEA is uniquely positioned to contribute to the global transition to more sustainable economic models.

This section describes our approach to growing sustainable finance by integrating holistic ESG criteria into investment and risk management processes, addressing environmental topics such as climate change, and social topics such as labour standards and more. For more information about how we are addressing the critical topic of climate change within our portfolio, please see the [Climate-related Risk and Resilience](#) section.

Management approach

We approach sustainable finance opportunities in line with local regulations and guidance in the markets in which we operate, as well as international standards and principles. These include, but are not limited to:

- the EU Taxonomy for Sustainable Activities;
- the Green Bond Principles, Green Loan Principles, and SLL Principles;
- the Green Finance Guidelines for the Banking and Insurance Industries issued by the National Financial Regulatory Administration;

- the Guidelines on Environmental Risk Management for Banks issued by the Monetary Authority of Singapore (MAS);
- the HKMA's SPM on Climate Risk Management;
- the Hong Kong Taxonomy for Sustainable Finance issued by the HKMA;
- the Social Loan Principles;
- the Green Bond Endorsed Projects Catalogue issued by the People's Bank of China (PBOC); and
- The United Nations Principles for Responsible Investment (PRI).

ESG investment governance

The Investment Committee, Board-level ESG Committee, and ESG Steering Committee are collectively responsible for achieving the Group's ESG investment goals. The Investment Committee oversees and evaluates overall investment strategies, including the annual assessment and updating of the portfolio plan to grow the ESG debt securities portfolio, while the ESG Committee and ESG Steering Committee focus on monitoring the Bank's green and sustainable investments.

Our commitment to sustainable investing is reflected in various Group frameworks and policies on specific topics, including but not limited to the GSF framework, [Sustainability Policy](#), [Environmental Policy](#), and [Human Rights Policy](#). In addition, the Treasury Markets Division (TMD), along with relevant business units and subsidiaries, adheres to the overarching Group Responsible Investment Policy (GRIP), which clearly defines governance structures and responsibilities for integrating sustainability into financial and strategic investments, portfolio-building, debt securities analysis, and other activities.

The GRIP outlines our approach to incorporating environmental, social, and governance factors into the investment process, including how each factor is considered, the exclusions applied, asset class-and sector-specific guidelines, and how outcomes are identified and measured. Investment managers rely on the GRIP to assess environmental performance and its potential impact on an issuer's risk profile and access to capital for debt servicing, demonstrating our commitment to engaging business partners on ESG matters.

In addition, as a signatory to the GIP for the Belt and Road, BEA promotes green investment in the region. These principles, developed by the Green Finance Committee of the China Society for Finance and Banking, and the UK-China Green Finance Centre, guide us as we enhance ESG integration, communication, engagement, and innovation.

Asset management

BEA Union Investment, our asset management subsidiary, became a PRI signatory in 2021 and joined Climate Action 100+ (CA100+) in 2023. Since then, it has actively engaged with several portfolio companies and conducted several engagement meetings with other institutional investors under CA100+ on ESG-related issues. In 2024, BEA Union Investment published its first Transparency Report in line with its PRI commitment, which is available via the PRI's [Data Portal](#).

ESG factor analysis is conducted at the start of the investment process, enabling the identification, assessment, and valuation of companies, as well as the integration of ESG factors into portfolios. This covers initial screening, research, portfolio construction, and risk analysis. Post-investment, BEA

Union Investment engages with investee companies to exercise shareholder rights and promote sustainable business practices. Stewardship practices focus on assessing ESG performance, identifying risks and opportunities, and proxy voting. Insights from ESG research and stewardship activities further inform portfolio managers' decisions, aligning them with specific investment objectives, requirements, and ESG risk appetite.

BEA Union Investment also integrates ESG factors into its risk management framework to identify material ESG risks and issues across covered strategies. Comprehensive policies guide the identification and assessment of climate-related risk impacts, including an updated ESG Risk Management Policy from 2024. In compliance with SFC requirements, BEA Union Investment has been calculating and disclosing portfolio carbon emissions of funds for which climate-related risks were deemed relevant and material since 2022.

For more details on BEA Union Investment's commitments and practices, please refer to its updated [Sustainable Investment Policy](#), [Engagement Policy](#), and [Proxy Voting Policy](#), all revised in 2024.



BEA took part in the 6th Plenary Meeting of the GIP for the Belt and Road, held in Hong Kong.

Five Key Components of the GSF Framework



Greenwashing mitigation

As BEA continues to invest in GSF opportunities, we are mindful of the significant risks posed by greenwashing and remain committed to offering products that deliver genuine environmental or social impact. To this end, we integrate ESG and climate-related matters into our products, services, and processes through numerous channels. For example, our new product approval procedure requires business units to consult SUD and EROD on ESG-themed products and services. This helps ensure products and services support proper ESG causes and subject matter expertise is applied to identify and address potential greenwashing risks before they materialise.

In late 2023, the HKMA issued a circular setting out the expected standards regarding the sales and distribution of green and sustainable investment products. In 2024, a compliance review and gap analysis were conducted on the Bank's practices of product due diligence, customer preference, disclosure, governance, and training. Identified gaps were rectified and our selling and control practices for green and

sustainable investment products comply with HKMA standards, limiting the risk of greenwashing or impact washing.

Consistent, technically sound definitions and methodologies are a critical part of greenwashing prevention. With this in mind, BEA actively promotes GSF development in the markets we serve in line with our GSF Framework, which was established to mitigate greenwashing risk in our GSF portfolio. Its components help us identify and assess environmental and social impacts of the projects we finance. Regarding the critical issue of climate change, the framework adopts the IMPACT+ Principles for Climate-Aligned Finance, a recognised approach to achieving real-economy decarbonisation towards to a 1.5°C future.

We acknowledge the tightening requirements and growing public expectations regarding greenwashing mitigation, and will keep abreast of the latest ESG trends to improve due diligence process and customer communication.

Programmes and initiatives



As demand for sustainable finance products and services grows globally, BEA is responding with innovative products, dedicated expertise, and active participation in global and regional green finance initiatives. We aim to support our customers in achieving their sustainability goals while contributing to the development of the broader green finance ecosystem.

Dedicated GSF expertise at BEA

Customers can tap into expert knowledge and tailored sustainable finance products and services through our dedicated GSF advisory team within WBD. The team works closely with relationship managers, external reviewers, and sustainability-focused organisations to promote GSF opportunities, provide comprehensive consulting services throughout the lending process, and enable customers to obtain financing to achieve their sustainable development goals. In 2024, a dedicated SME GSF advisory team was set up to provide comprehensive guidance to help small and medium enterprises (SMEs) identify and meet their green financing needs.

Enabling Sustainability through GSF Lending to Corporate Customers

BEA drives the adoption of more sustainable business practices within the private sector through various corporate lending activities. Globally, we participate in SLLs, either bilaterally or via syndicated transactions. In 2024, the Bank was involved in multiple impactful transactions, including:



1 Chinese Mainland

In November, BEA China issued an SLL of CNY249 million to a global logistics service provider, tied to three sustainability performance targets. These targets include reducing GHG intensity, increasing the proportion of women in mid-to-senior management roles, and lowering the lost-time injury rate. This initiative aims to promote green and sustainable development within the courier industry while also assisting companies listing overseas in enhancing their ESG performance.

BEA China's Tianjin Branch partnered with China Aircraft Leasing Group to accelerate the sustainable development of the aviation industry and jointly promote ESG practices. The Tianjin branch issued a US\$100 million SLL, linking the loan's interest rate to the proportion of energy-efficient aircrafts in the borrower's fleet. This model drives both fuel efficiency and sustainable operations within the aviation industry.

2 Taiwan

In Taiwan, BEA joined a US\$800 million syndicated SLL to Foxconn Interconnect Technology Limited. The loan integrates environmental and governance-related criteria into the conditions, including zero waste to landfill certification, renewable energy use, board diversity, and others. These criteria are evaluated by independent third parties to improve transparency and credibility, showcasing the borrower's efforts and achievements in developing a holistic approach to both environmental and corporate governance sustainability.

3 Singapore

Our Singapore Branch launched our second SLL with Wilmar International, an agribusiness leader in Asia. The two-year US\$100 million SLL includes tiered interest rate reductions if Wilmar achieves pre-determined sustainability performance targets based on internal KPIs and external benchmarks, including continued inclusion in the Dow Jones Sustainability Indices World Index.

4 Hong Kong

BEA acted as the Mandated Lead Arranger and Coordinator for a HK\$500 million syndicated SLL to CR Construction Group Holdings Limited, a leading construction contracting company in Hong Kong. Proceeds from the loan, which is CR Construction Group's first syndicated SLL, will be used to support its business operations as the company targets reductions in total GHG emissions and total energy consumption.

5 UK

Our branches in the UK participated in six syndicated GSF transactions with a principal amount of over EUR118 million. This included participation in a syndicated green loan to a leasing company and a syndicated SLL to one of the largest UK telecom companies, with two KPIs focused on reduction of non-renewable electricity usage and reduction in Scope 1 and 2 GHG emissions.

Green deposits

The Bank's Green Deposit Scheme offers corporate customers fixed interest rate products that support accredited green projects in manufacturing, renewable energy, and other industries. Quarterly disclosure of product-related information ensures transparency, accountability and effective assessment of the green asset pool's impact and utilisation.

We continue to roll these products out across the Group. Effective from October, green deposits were successfully launched to corporate customers in Singapore. Relevant teams are supported with a Green Deposit Framework Manual, which establishes a consistent methodology and procedure to classify deposits as

"green", and an Operations Manual for Green Deposits that addresses associated application flow, monitoring, and product disclosure topics. The product framework aligns with the four core elements of the Green Bond Principles, with proceeds used to finance or refinance projects that align with the Bank's broader GSF framework.

Green mortgages

BEA's Green Mortgage Plan is offered to prospective purchasers of first-hand, second-hand, or government-subsidised residences in Hong Kong that have a valid provisional/final "Platinum" or "Gold" rating under the BEAM Plus New Buildings/ Existing Buildings scheme of the Hong Kong

Green Building Council. Green mortgage customers can enjoy a preferential interest rate on online time deposits.

Green and sustainable wealth management products

The Bank offers a range of products to help our wealth management customers meet their financial goals while aligning

their portfolios with sustainable investment preferences. In 2024, we continued to onboard funds with ESG themes to our trading platforms. More than 50 of these funds are available, offering over 150 share classes. In addition, our Discretionary Portfolio Management offers customers ESG-focused strategies.

Contributing to the GSF Ecosystem in Hong Kong

Hong Kong is working to position itself as the world's sustainable finance hub, with financial regulators, the Stock Exchange, and the HKSAR Government collaborating on new and exciting initiatives. The Bank actively supports these efforts, contributing to the development of the GSF ecosystem among the private sector through numerous engagement channels.

Hong Kong Green Finance Association (HKGFA)

In March, we joined the HKGFA, a respected platform that facilitates the development of green finance and sustainable investments in Hong Kong and beyond. As a member of the "Banking – Financing the Transition" working group, BEA collaborates with other financial institutions to promote green and sustainable banking, and explore initiatives to finance transition efforts.

HKQAA ESG Connect Programme

Together with the HKQAA, BEA co-hosted a seminar on sustainability and GSF in July. Part of HKQAA's ESG Connect Programme, which BEA supports as a Mentor Organisation, the event provided a platform for representatives from listed companies, SMEs, NGOs, and social enterprises to learn about the latest trends in sustainability. In addition to presentations from HKQAA and participating organisations, representatives from BEA elaborated on the Bank's sustainability journey and how GSF solutions can support the transition to low-carbon business models.



future. Our GM & Group Head of PSD represented the Bank, exchanging ideas and sharing insights with other speakers on panels titled "The Retrofit Reinvention: Bridging the Gaps in Policy, Finance and Engineering" and "Building a Sustainable and Socially Responsible Employee Brand".

Hong Kong GreenTech Summit

BEA China was honoured to sponsor the Hong Kong Green Tech Summit 2024 in February, supporting the HKSAR Government's push to advance green technologies. The Summit marked the opening of the inaugural Hong Kong Green Week, and featured an array of sharing sessions from leading voices in the field, as well as exhibitions on the latest greentech innovations and solutions. During a panel discussion, our GM & Head of PSD shared the Bank's progress on driving GSF opportunities. Sustainability teams from our Hong Kong and Chinese Mainland offices also participated.

ReThink HK

In September, BEA sponsored ReThink HK 2024, an annual event bringing together business leaders, policy makers and sustainability practitioners with ideas and solutions that can accelerate Hong Kong towards a more resilient and sustainable



ESG bond investments

We continue to integrate sustainability into the Bank's debt investments, identifying new opportunities and transitioning existing investments to ESG-labelled bonds. We closely monitor our progress and provide regular reports to our ESG Work Group to ensure transparency and accountability. In 2024, we also updated the GRIP to reflect our strategic plan for active management of portfolios in carbon-intensive sectors, supporting the Bank's goal of reducing financed emissions.

Building capacity internally and externally

Our GSF solutions are supported by teams with a deep understanding of the evolving sustainability landscape and our customers' needs. We actively embed GSF knowledge and skills throughout our organisation to stay equipped in delivering the most relevant GSF products and services. In 2024, team

members from our New York Branch attended a presentation on Commercial Property Assessed Clean Energy (C-PACE) financing, delivered by the Real Estate Lenders Association and Nuveen Green Capital. The session covered the basics of C-PACE financing and how building owners can pay for energy efficiency and renewable energy improvements.

Other GSF-related training sessions held during the reporting period included an "Introduction to Green and Sustainable Finance", an e-learning module developed by SUD and launched in December. The training is recommended for ESG role-based staff, including ECF-GSF Relevant Practitioners (RPs) and staff in green and sustainable banking positions in the Bank's Wholesale Banking and International divisions as well as risk management colleagues and others who handle GSF transactions. It covers basic GSF concepts, how BEA conducts its GSF business and

the latest developments regarding the Hong Kong Taxonomy for Sustainable Finance. For more information about broader ESG-related capacity building, see the [Training and Development](#) section.

To assist our customers with their decarbonisation initiatives, we collaborated with CLP to introduce complimentary energy audit services to our customers in Hong Kong. Additionally, our customers can apply for financing from BEA to execute energy efficiency improvement projects recommended by CLP.

Outlook

We are actively expanding our GSF portfolio, identifying new opportunities, and equipping our teams to lead in the growing sustainable finance market. Looking ahead, BEA will continue granting green loans and SLLs while exploring new products, including green and sustainability-linked interest rate swaps.



2024 Performance

GSF Loans and ESG Bonds

Total: **HK\$ 81.5 billion**

16.7%
of total corporate loans and bond investments



Our GSF loan portfolio grew by approximately 18% to more than HK\$67.9 billion, accounting for 18% of the Group's total loan portfolio. Meanwhile, our ESG bond portfolio comprised approximately 12% of the Group's total bond portfolio, comparable to 2023. The continued growth of our GSF portfolio reflects the Group's steadfast commitment to sustainability as a driver of both financial returns and positive impact.

As sustainable finance trends and frameworks evolve internationally, we will closely monitor developments across our business locations, with a particular focus on the Hong Kong Taxonomy, and enhance our GSF framework accordingly. At the customer level, we prioritise engagement with customers in carbon-intensive sectors, which offer both significant business opportunities and the greatest potential for positive impact through capital deployment and advisory services.

Responsible Products and Services

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



Why it matters

 The banking industry is founded upon trust, which is essential for maintaining positive relationships with customers, regulators, and other stakeholders. BEA looks to remain a trusted partner by designing and marketing products and services that are fair, meet customer needs, and avoid deceptive practices or discrimination of any kind. With integrity and customer focus at the heart of our core values, we actively seek and respond to customer feedback, both positive and negative. Our two-way, open communication channels allow us to address complaints promptly and effectively and continually improve our business.

Management approach

 BEA's commitment to responsible products and services is driven by two foundational requirements: meeting evolving customer needs and strict adherence to regulations set by the HKMA, SFC, the Insurance Authority (IA), and the Mandatory Provident Fund Schemes Authority (MPFA), among others. Our approach is, therefore, two-fold—we tailor our offerings to reflect both customer feedback and the latest regulatory developments.

A principled approach

As a signatory to the HKMA's TCF Charter, BEA is committed to upholding principles of transparency, reasonableness, and efficiency in the design and marketing of our products and services. The Bank's Code of Conduct and Conflict of Interest Policy are in place to ensure staff members adhere to the highest standards of business conduct and integrity, and duly fulfil the TCF principles. To ensure ongoing compliance with the TCF Charter and to continually improve our products and services, Hong Kong staff receive annual refresher training on the principles and requirements of the TCF Charter, which covers risk information sharing and other responsible product offering and marketing issues, as well as best practices in complaint handling. Our customer-facing employees receive annual training on sales ethics, conduct, and consumer financial protection.

The Organisation & Productivity Management Department (OPMD) monitors and enhances customer complaint handling, tracking progress against TCF key performance indicators (KPIs). These KPIs, closely monitored since 2021, are also included in the Bank Culture Dashboard managed by the Bank Culture

Work Group. This helps ensure various departments operate in line with the TCF Charter, promoting a culture of fairness and customer-centricity throughout BEA.

New product approval

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

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

New Product Approval Process



Ensuring informed financial decision making

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

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

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

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

Assessing the financial capabilities of customers

We comply with regulations set by the HKMA, SFC, IA, and MPFA for financial services providers when engaging with customers. Our tailored financial products and services are designed to meet specific needs, ensuring careful evaluation of each customer's financial capabilities before offering any product, service, or advice. Investment and insurance services, in particular, involve greater financial risks compared to general banking services. We therefore only offer these services to customers after evaluating their financial objectives, risk tolerance or insurance needs.

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

Vulnerable customers may be accompanied by a family member or friend to facilitate their understanding of a product before making decisions. Our sales staff follow the TCF Charter and do not coerce customers into buying products or impose barriers to switching banks.

In 2024, we launched a new OneBank CRM (Customer Relationship Management) platform to equip our sales and relationship managers with deeper insights into customer needs and preferences. The platform integrates backend systems to provide a complete view of customer profiles and includes tools for evaluating customer risk profiles and tailoring product offerings. It also features sales management tools to enhance service quality and operational efficiency. Additionally, the first phase of our One-Stop Know Your Customer (KYC) platform was also rolled out, providing a unified customer view for risk assessment and compliance. Together, these initiatives

enable us to better understand customer financial capabilities and deliver customised products more effectively.

Standalone debt collection and debt recovery policy

Our debt collection policies clearly define the process for recovering debts from retail and corporate customers, aiming to ensure fair treatment with a proportionate and consistent approach for the collection and recovery of outstanding amounts. To help our employees prepare for different debt collection scenarios, relevant staff members receive regular training sessions that include case studies.

Meeting customer expectations

We prioritise the efficient and effective handling of customer complaints. Our procedures are guided by the ISO 10002:2018 Quality Management: Customer Satisfaction Standard and are regularly subject to internal and ISO audits. Our complaint management system was most recently audited in 2023, and the certification remains valid until November 2026. Our procedures also align with the Revised HKMA Supervisory Policy Manual IC-4 "Complaints Handling and Redress", ensuring compliance with industry standards and best practices.

Complaints are managed in line with local and international best practices, which helps us identify trends, address root causes of complaints, and improve our operations. Designated Complaint Officers manage cases and provide comprehensive investigation reports for final review by Service Quality Section of OPMD. Objectives for complaint management include minimising the number of substantiated cases, timely completion, and enhancing overall customer satisfaction. Complaint management reports, which include key customer complaint statistics, are sent to Senior Management and department heads quarterly, with KPIs reported to the Board and Remuneration Committee through the Bank Culture Dashboard.

Our streamlined complaint-handling process involves appropriate documentation, escalation when needed, and fair resolution. We value feedback and continually enhance our complaint handling based on customer input. In the Chinese Mainland, our complaint handling operating procedures were updated in 2024 to improve our dispute settlement processes, including by delineation of management roles and responsibilities. In the UK, a Consumer Duty Policy and Vulnerable Customer Procedure Manual & Policy is in place, and a Consumer Duty Working Group has been set up with UK management oversight to help ensure

retail customers, including vulnerable customers, receive good customer outcomes.

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

Customer Communication Channels

<p>In-branch customer service representatives</p> 	<p>In-branch customer suggestion forms</p> 
<p>Online enquiry e-form</p> 	<p>Customer service hotlines</p> 

Programmes and initiatives

 Our banking solutions are designed to meet the diverse needs of customer segments, from financing for local businesses and SMEs to innovative platforms for digitally savvy customers, donation collection services for NGOs, and more. Across our entire portfolio, we are committed to meeting and exceeding customer expectations responsibly, while promptly responding to their feedback and concerns.

Tailored design and rollout services

We endeavour to provide products and services matched to the needs of specific customer segments.

Local businesses and SMEs

BEA's Enterprise Banking Department (EPBD) assists local businesses and SMEs with their financing needs and supports them throughout the entire process, from account opening to cash management, treasury, and insurance services. In March, we partnered with PingAn OneConnect Credit Reference Services Agency (HK) Limited to streamline the credit evaluation process for SMEs in the trade sector by

leveraging Commercial Data Interchange offered by the HKMA. With the launch of this process, we launched a new loan product named Trader Loan under the BEA Enterprise Easy Fund Series. The approval process has been shortened to three days, enabling SMEs to access financing support more swiftly.

BEA also offers competitive remittance fees and foreign exchange rates to help SMEs reduce operational costs. Additional solutions include Direct Remittance, which can transfer funds to the Chinese Mainland in as fast as one hour, and online time deposit with preferential rates.

In addition, our corporate customers benefit from convenient access to our comprehensive digital banking platform, BEA Corporate Online. The platform simplifies daily financial tasks with account management, payments, and online FX with a preferential rate under one secure interface. It supports real-time transaction monitoring, payroll processing, and remittance payment tracker, giving businesses a holistic view of their finances. Advanced security features, flexible



approval controls, and e-Statements further streamline operations, enabling companies to efficiently manage their banking needs.

In June, BEA's Head of Enterprise Banking, shared how BEA is driving SME business transformation as a panel speaker at the "Seminar on banking sector's support measures for small and medium-sized enterprises". Co-organised by the HKMA, The Hong Kong Association of Banks (HKAB) and the Chinese Banking Association of Hong Kong, the event was attended by around 200 representatives from the banking sector, trade associations and chambers, and SME operators who exchanged practical experience and success stories.

Digitally savvy customers

In February, we reintroduced BEA Mobile, a redesigned mobile banking app tailored to customers' daily needs. The app features a suite of wealth management services with up to 14 investment functions covering stock trading, unit trusts, linked deposits, and foreign currencies. To help individuals make informed allocation decisions, the "Fund Portfolio Builder" intelligently shortlists funds suitable for the customer, while the "Wealth Portfolio" provides a quick, holistic overview of their assets.

For daily banking needs, customers can personalise the BEA Mobile interface by creating shortcuts for frequently performed tasks, such as transfers and remittances, and re-arranging the sequence of their accounts for easier access to balances and summaries. They can also instantly purchase travel protection insurance, exchange foreign currencies 24/7, and open all-in-one accounts directly through the app.

BEA has created a centralised communication platform for staff to interact with customers. The platform streamlines communications through various social

messaging apps, such as WhatsApp and WeChat. The initiative, launched in October for private and personal banking customers, enables the Bank to capture and accurately record all client communications, whether through voice, text or files.

The platform helps the Bank comply with record-keeping regulations through robust controls, including audit trails, data leakage prevention, and monitoring by supervisors and compliance teams. Given the significant growth of social messaging app usage by customers, the platform provides an alternative way for more immediate customer communications, elevating the overall user experience.

Investors

We empower investors by providing relevant information and a comprehensive suite of investment services, both in person and digitally, including through the BEA SmarTrade. Additionally, we publish a quarterly economic forecast and market intelligence report, "BEA Wise", which covers sustainable investment trends, opportunities, and other key topics.

Regionally, the Singapore Wealth Management Centre launched in February offers wealth management solutions to high-net-worth individuals across Hong Kong, the Chinese Mainland, and Southeast Asia. In March, BEA China unveiled a revamped version of its mobile banking app, which now incorporates data from Morningstar, a global professional investment research institution. The update redefines wealth management

functions, supports both Chinese and English languages, and offers a one-stop Global Financial Services platform, providing customers with a more convenient and professional financial experience.

In June, we celebrated the opening of the Harbour City SupremeGold Centre. Conveniently located in Tsim Sha Tsui, BEA's newest bank hub offers a welcoming environment integrating natural elements with environmentally conscious materials, designed for customers from Hong Kong and the Chinese Mainland to discuss their wealth management needs with our financial experts. The Centre includes well-equipped meeting rooms, providing privacy to individual and family customers when they meet with relationship managers to learn more about the Bank's comprehensive range of wealth management and cross-boundary financial services. Dedicated multi-purpose spaces are also available for customer events and seminars, fostering greater communication and engagement. Since its opening, the Centre has hosted informative investment seminars on hot topics such as the global investment outlook, macro-investment trends, investment analysis of the Chinese Mainland and Hong Kong equity markets, and bond opportunities in Asia.



Non-governmental organisations

One of BEA's many social contributions is enabling charitable organisations to focus less on financial management and more on the impactful work they do. Our Online Donations Services, created in partnership with the Hong Kong Council of Social Services (HKCSS), help NGOs collect payments from their websites using the Bank's payment gateway.

Support for Hong Kong's newest residents

BEA proudly supports the HKSAR Government's foreign investment and talent-related initiatives, including the New Capital Investment Entrant Scheme (New CIES). BEA was among the first financial institutions to participate in the initial phase of the Capital Investment Entrant Scheme introduced by the HKSAR Government in 2003. Following the launch of the New CIES by the HKSAR Government in early 2024, BEA Private Banking has introduced a

comprehensive one-stop service, including account opening, financial asset investment, and liaison with government authorities, to cater to the needs of eligible applicants.

The Bank also launched the "Talent Privilege Programme" to address the wealth management needs of talent and their families settling in Hong Kong. The programme offers comprehensive wealth management services, including priority account opening appointments, mortgage cash rebates, medical protection plan offers, premium discounts, refunds on selected life insurance plans, remittance fee waivers, a mortgage hotline, generous welcome offers, and a free children's education consultation service.

Meeting customer expectations

Understanding and responding to customer feedback is central to BEA's commitment to service excellence. We uphold operational

and service standards by facilitating internal communication on complaints through internal platforms such as the "DCO Newsletter" and "BDS Complaints Watch". These channels share complaint-handling cases, customer feedback, and best practices, promoting high service standards and working to prevent sub-standard service delivery. We also organise forum meetings to update our staff on regulations and complaint cases, further reinforcing a culture of service excellence.

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

Renewing our Commitment to Fair Dealing in Singapore

The MAS has long recognised that financial institutions like BEA influence customer behaviour through the manufacture, selection, marketing, and distribution of their products and services. Accordingly, regulatory guidance on these activities evolves alongside industry practices.

To keep pace with change, the MAS issued an updated set of Guidelines on Fair Dealing, effective from May. Among the enhancements, the scope of the Guidelines now applies to all financial institutions, and all products and services they offer to their customers. The updates aim to raise standards of fair dealing and improve the experience of customers, requiring financial institutions to integrate the

principles of fair dealing at various stages of a product's lifecycle or service delivery.

In response, the Singapore Branch has issued an updated [Fair Dealing Commitment Statement](#) reflecting our response, specifically:

- Applying fair dealing principles to all products and services offered;
- Expanding fair dealing training to all staff; and
- Ensuring that compliance with fair dealing outcomes is part of the staff key performance indicators.

Additionally, the Branch Legal Risk Management Guideline was updated

in September to incorporate fair dealing controls. BEA Singapore and the Wealth Management Division of our Head Office also launched a Checklist for the Fair Dealing Assessment, documenting their evaluation of products and services to ensure compliance with the new guidelines as part of the due diligence process for new product reviews. To raise awareness and familiarise staff with the revised requirements, fair dealing training was delivered to all Singapore staff in October. The training covered the updates and practical case studies.

2024 Performance

Customer Satisfaction & Service Quality Evaluation

The Group recorded a 10-point increase in its NPS. This growth was largely driven by our private banking customers' satisfaction with the Bank's relationship management and wealth management services, as well as positive customer experiences with our wholesale banking trade services and personal digital banking services in Hong Kong.

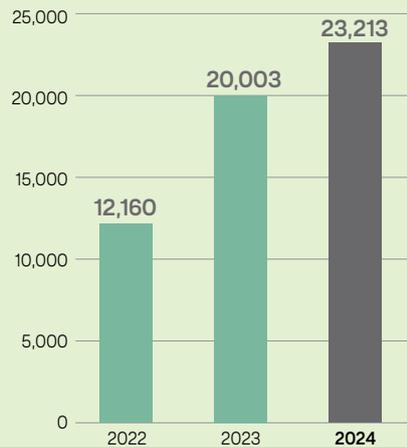
Customer satisfaction with our deposit products, corporate loans, digital channels, and relationship management services in the Chinese Mainland also significantly contributed to this achievement.

Group members report that the continued increase in compliments received were related to the ongoing efforts to uplift the service quality of branch staff, which enhances customer experience and fosters a culture of appreciation. A mystery shopping programme and transactional

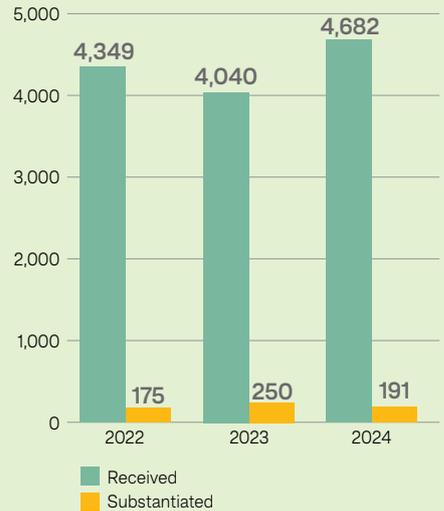
surveys were also conducted to proactively collect customer feedback. Meanwhile, timely follow-ups and communication with branch and district heads was carried out to uphold service standards and share best

practices. Although there was an increase in the total number of complaints, the instances of substantiated complaints declined as a result of these efforts.

Compliments received by the Group



Complaints regarding products and services recorded by the Group



Cybersecurity and Data Privacy

[Aspect B6] [GRI 418]



Why it matters

The banking industry is undergoing transformative change, with digital banking, fintech solutions, and artificial intelligence (AI) reshaping financial services, and unlocking new areas for innovation. Asian economies, in particular, are shifting towards cashless systems that streamline business processes and increase efficiency. However, as the private sector rapidly advances towards a tech-driven future, regulators are responding with more stringent cybersecurity and personal data protection requirements, particularly for banks that hold sensitive financial information of millions of customers.

For over a century, BEA has remained competitive by adapting to our customers' evolving needs. As we embrace the digital evolution of our industry, cybersecurity and data privacy are crucial to protect customer trust, our reputation, service capability, and financial performance. We are proactively taking steps to capture the opportunities of this new era while mitigating the heightened risk of cyberattacks that come with digitalisation.

Management approach

The foundation of cybersecurity and data privacy governance at BEA rests on the "Three Lines of Defence" risk management model. This model helps the Bank capture and monitor cybersecurity and data risks, while clarifying the roles and responsibilities of committees involved. The effectiveness of the cybersecurity and data protection

governance framework and control processes is independently and regularly assessed by the IAD following a risk-based approach or by qualified external assessor.

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

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

The Group adopts the principle of minimum authorisation for data security, shielding user data from increasingly sophisticated cyberattacks through a framework of policies, procedures, and monitoring bodies. The Bank leverages the HKMA's Cyber Resilience Assessment Framework to evaluate the inherent risks and maturity levels of our cybersecurity measures against defined control principles. This assessment helps identify areas of improvement and establish clear targets for cyber resilience. Additionally, we utilise a cyber intelligence platform managed by the HKAB, which facilitates security information sharing and integrates data feeds from reputable threat intelligence service providers. This platform keeps us informed of the latest threats, enabling proactive defence and collective responses to cyber incidents that may impact financial stability given the interconnected nature of the financial system. The Bank also conducts regular internal and external security audits, vulnerability assessments, and penetration testing to ensure robustness in its cybersecurity defenses.

If service disruption, data alteration, data leakage, or system intrusion occurs, cyber incident response and recovery is treated as a Bank-wide business imperative, with remediation objectives established and monitored by Senior Management. Relevant stakeholders are fully aware of their designated accountabilities, responsibilities, and roles in case cyber incident response and recovery plans are triggered. These disaster recovery procedures are clearly outlined in the Bank's Cybersecurity Policy, the Guidelines for Incident Response and Management, and the Technology Related Incident Response and Escalation Procedures.

Cybersecurity and Data Protection Policies

Cybersecurity Policy*
Group Policy on General Data Protection Regulation (GDPR)*
Group Policy on Personal Information Protection Law (PIPL)*
Group Privacy Policy*
General Guideline on Personal Data Protection*
Information Security Policy*
Privacy Policy Statement
Code of Conduct*

*Internal policy documents

Cybersecurity

BEA's cybersecurity governance is supported by our Technology Risk Management Manual, Cybersecurity Policy, and Information Security Policy. Multiple monitoring levels are in place, including an emergency response team to manage cyberattacks and implement precautionary and contingency measures. The Group

Regionally, markets tailor their approaches to reflect local needs and requirements. For example, BEA China has established a dedicated security assessment mechanism and team, and formulated the Implementation Guidelines for Cross-Border Data Security Assessment. In 2024, BEA China applied for a security assessment project for the export of personal data, which was approved by the Cyberspace Administration of China. According to the approval, BEA China and BEA will jointly work to meet the compliance requirements.

Cloud and Artificial Intelligence Governance

As BEA increasingly captures the benefits of cloud technology, a cloud governance and risk management framework has been integrated into the Bank's existing ERM framework since early 2024. This framework includes the establishment of a Cloud Risk Monitoring Team to oversee cloud computing-related risks, with a strong focus on cybersecurity controls and data protection measures. Given the global rise in AI, the Bank has already embarked on its new Data and AI governance framework with a risk-based and principle-based regulatory approach. This framework will guide the Bank's use of AI technologies, ensuring robust cybersecurity measures safeguard data and systems.

Data privacy

BEA fully complies with personal data privacy laws in all jurisdictions where it operates, including the Hong Kong Personal Data (Privacy) Ordinance, the UK General Data Protection Regulation (GDPR) and Chinese Mainland Personal Information Protection Law (PIPL). Comprehensive policies and guidelines help safeguard our customers' data and personal information privacy. Our publicly available [Privacy Policy Statement](#) outlines our approach to data collection and retention according to

the regulatory requirements. Customers are informed of the purpose of personal information collection, data transfer, and their rights to access and correct their information.

BEA's Group Privacy Policy sets out general personal data protection principles that apply across BEA Group members, helping to ensure personal data is handled with care and confidentiality with respect for individual rights. Our Group Policy on PIPL assists Group members outside the Chinese Mainland in complying with PIPL requirements issued by Chinese Mainland regulators, while our Group Policy on GDPR offers guidance on managing personal data in compliance with UK GDPR, the Data Protection Act 2018, and the Information Commissioner's Office's publications, which give further context on how the regulations apply to in scope firms. The Privacy Policy Statement, General Guideline on Personal Data Protection, and other data privacy-related policies and guidelines are reviewed annually by COMD. Regular training has been conducted to enhance staff awareness of data privacy.

The Head of COMD serves as the Group Data Protection Officer, overseeing efforts to protect personal data privacy. Responsibilities include ensuring the protection and proper management of personal information, addressing privacy-related risks and challenges, and ensuring compliance with relevant regulations while meeting best practices. If a breach does occur, prompt action is taken to investigate the root cause, respond, and remediate the situation. Depending on the situation, severe cases, or those that involve regulatory non-compliance, are immediately escalated to COMD and local compliance functions. Material breaches are reported to the HKMA and other regulators as required.

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

Programmes and initiatives



The industry's rapid digitalisation presents unparalleled opportunities for growth, but also necessitates robust cybersecurity and data privacy measures to safeguard systems and data within an evolving threat landscape. BEA responds with an innovative approach, embedding resilience and protection into every aspect of its digital transformation.

Digitalisation at BEA

Recognising the immense potential digitalisation presents for our business, BEA empowers and holds all divisions accountable for adopting digital technologies while ensuring stringent cybersecurity measures. The Bank's digital roadmap, endorsed by the Board of Directors, focuses on key priorities that enable us to meet strategic objectives:

- Accelerating front-to-back digitalisation;
- Uplifting network and salesforce effectiveness;
- Improving risk management and asset quality; and
- Focusing on cross-boundary business integration.

The Information Technology Department and Fintech Development Department spearhead BEA's digitalisation. Working closely with various business and support units within the Group, they drive the implementation of our fintech strategy.

Unearthing Data-driven Innovation: Data Hackathons

Robust data underpins BEA's corporate and sustainability strategies. Over the span of a month, 40 talented colleagues came together to participate in a Data Hackathon organised by our Centre of Excellence Team under DSGD, devising innovative solutions using visualisation and generative AI. The hackathon culminated in a compelling presentation of use cases that showcased the teams' achievements, and was attended by over 680 colleagues, both in-person and virtually.

A key outcome of the hackathon was the creation of an ESG data dashboard prototype, which aims to provide our business units in the Chinese Mainland with insights into our customers' ESG performance, facilitating informed decision making.

Driving innovation in the Chinese Mainland, BEA China also organised a data hackathon for over 50 colleagues in Qianhai and Shanghai, tackling an array

of topics ranging from data visualisation and generative AI to operational excellence.

The Data Hackathons underscored the power of collaboration and highlighted the immense talent within our Bank. We remain committed to fostering similar opportunities for our employees to explore innovative ideas and leverage cutting-edge technologies, ensuring BEA's ongoing success in a digital, data-driven world.



Fintech innovation

BEA has long been dedicated to driving innovation in financial services, and change is accelerating. 2024 marked the second anniversary of **BEAST**, BEA's fintech collaboration platform designed to inspire innovation and collaboration among the Bank, local start-ups, and industry partners. Since 2023, **BEAST** has expanded its reach to Qianhai, which enables the Bank to connect with the wealth of talent and expertise in Shenzhen's thriving fintech community. **BEAST** Qianhai benefits BEA and its customers with co-created solutions, while also facilitating broader regional collaboration.

By the end of 2024, **BEAST** Hong Kong and Qianhai:

- collaborated with **75+** start-ups and tech companies
- on **130+** fintech projects
- guided **~40** solutions through the complete proof-of-concept process, including initiatives related to cybersecurity or data privacy

We also support fintech innovation externally. In October, we participated in the Interbank Account Data Sharing (IADS) Showroom Day hosted by the HKMA, a pivotal event intended to raise public awareness of the IADS, its use cases, and the benefits it offers. Representatives showcased BEA's personal digital loan application as the first IADS use case. The application enables BEA to securely obtain other banks' deposit account data of customers with consent, thereby expediting the loan application process and making the customer journey much faster and more efficient.

Fintech Community Converged at the Inaugural BEA Fintech Day

For nearly a decade, Hong Kong Fintech Week has been Asia's premier fintech event. In October, BEA was honoured to contribute to this impactful gathering with the inaugural BEA Fintech Day—an official satellite event of Hong Kong Fintech Week 2024. Bringing together nearly 500 fintech professionals, industry leaders, and academics, the event covered Hong Kong's rapidly evolving fintech landscape and opportunities for co-creation and collaboration across the broader region.

Organised by **BEAST**, BEA Fintech Day featured a half-day programme of keynote speeches, panels, workshops, and exhibition booths under the theme "Cultivating a Thriving Fintech Community". Nearly 20 distinguished speakers and 10 exhibitors explored generative AI strategies and cross-border fintech opportunities amidst varying regulations and customer expectations. The event also introduced the **BEAST** Talks series, showcasing insights from experts across various tech fields.

Recognising the importance of talent development, professors, and students from the Department of Electronic Engineering of The Chinese University of Hong Kong were also invited to share their perspectives on AI and innovative ideas contributing to Hong Kong's vibrant ecosystem.



"BEAST—our pioneering fintech collaboration platform—embodies BEA's spirit of innovation and openness. The first-ever BEA Fintech Day was a significant milestone, cultivating a dynamic fintech community. With steadfast support from management, we have embraced the vision of BEAST with exceptional passion and teamwork, collaborating with tech companies that share our vision. I am incredibly proud of our talented team's dedication and accomplishments in just three years, as they forge meaningful partnerships and drive progress within the fintech space."

Mourice Pang
Head of Fintech Development Department

Security enhancement

We strive to implement robust security measures and eliminate cybersecurity vulnerabilities as BEA advances on its digitalisation journey. In 2024, our teams worked collaboratively within the Bank and with external organisations to enhance system effectiveness through the following initiatives:

- Investing in "virtual patching", a new security tool that can proactively prevent attacks, to enhance protection and detection capabilities against the latest cyberattack techniques.
- Updating the Singapore Branch's Cybersecurity Policy and Information Security Policy to align with advancements in digital technology and evolving threats.
- Conducted an intelligence-led simulated attack test, which yielded neither any critical or high-severity findings, nor any adverse comments from regulators.

BEA at China Cybersecurity Week 2024

BEA is proud to have been the only financial institution from Hong Kong invited to the Financial Day Cybersecurity Forum in Guangzhou. Leading financial institutions, government officials, and cybersecurity experts in the Chinese Mainland gathered at the event to exchange insights on cybersecurity and raise public awareness.

cybersecurity solutions, such as the Call Centre Smart Assistant and Corporate Customer Risk Smart Analysis Centre. These initiatives reflect our Bank's commitment in fostering a more secure and resilient digital environment and delivering reliable financial services to our valued customers.

Mr Isaiah Wong, our Head of Cybersecurity, was a speaker at the event and shared the cyber resilience measures in Hong Kong. A BEA exhibition booth was also set up in the venue to highlight our Bank's innovative

The Financial Day is part of China Cybersecurity Week 2024, a pivotal event aimed at mobilising all relevant parties to foster a safer digital environment and enhance cybersecurity capacity within the nation.



2024 Performance

During the year, no information security breaches were reported.



~100%

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



"I am proud of our successful integration of fintech innovation with robust cybersecurity practices, highlighted by the secure deployment of our mobile app on the public cloud. This achievement underscores our commitment to enhancing customer experience while adhering to stringent security and regulatory standards. For banks, safeguarding customer assets is not just a priority; it's a social responsibility. As we embrace digitalisation, our balanced approach ensures we effectively manage security challenges, enabling innovation to thrive securely and ensuring robust protection for our customers' financial wellbeing."

Isaiah Wong
Head of Cybersecurity

Outlook



As the cybersecurity and data privacy landscape changes, BEA will regularly review our policies and procedures and adopt appropriate measures to strengthen security and maintain regulatory compliance. The Bank has initiated a security programme to invest in advanced technical solutions to uplift identity and governance management, while integrating AI capabilities to further enhance security and operational efficiencies. Future plans include deploying

an advanced AI-driven threat detection system to enable real-time monitoring and identify potential security breaches, as well as exploring collaborations with fintech partners to bolster cybersecurity in response to increasing digitalisation and innovation. We will also monitor regulatory developments, including the extraterritorial impact of the Personal Information Protection Law, and respond accordingly across the business.

Climate-related Risk and Resilience

[Aspect A3, A4] [GRI 201, 305] [IFRS S2] [TCFD]



Why it matters

2024 marked the first full year of multi-pronged initiatives to achieve the global commitment to transition away from fossil fuels made at COP28. Governments are now increasingly driving climate action in the private sector through regulatory and policy responses, ranging from adopting stringent climate-related disclosure requirements founded upon the IFRS Sustainability Disclosure Standards to mandating carbon taxes and caps. At the same time, the physical impacts of climate change have been felt globally, with scientists attributing the severity of specific events—such as extreme heat, wildfires and other hazards—to human-induced climate change.

These developments present both serious risks and impactful opportunities for multinational financial institutions and our portfolio companies. Amidst a shifting landscape, BEA is working to deliver our long-term climate strategy and create a more resilient bank positioned to thrive in a low-carbon economy. ESG and climate-related criteria that help mitigate risks have been integrated into the Group's services and lending practices, and we continue to invest in new green and sustainable products that can capture demand arising from the global transition to more sustainable economic practices. These efforts are not only intended to result in emissions reductions—moreover, they can improve efficiencies, reduce costs, and grow our markets.

Management approach

Governance
As critical business issues, climate-related risks and opportunities have been well integrated into the Bank's overall governance approach.

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

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

Incentivising climate action
In November, the Board approved an updated version of the Bank's Remuneration Policy. This enhanced policy incorporates ESG and climate-related metrics as one of the non-financial criteria considered in variable compensation plans.

In particular, the Bank's remuneration for senior executives incorporates climate-related performance metrics, including progress on net zero target setting and transition plans.

Climate-related Capacity Building: Climate Fresk Workshops at BEA

Climate change is a worldwide phenomenon with interconnected environmental, social, and economic drivers and impacts. In 2024, we rolled out Climate Fresk Workshops to help ensure our people understand this complex, nuanced challenge, and recognise the part they can play in addressing it.

From March to December, colleagues from various departments across different markets attended the workshops. A number of staff members were also

2023

Recent Board-level Climate Action

- Approved mandatory training on ESG topics including climate risk, for all staff members at the end of 2023
- Approved an updated Remuneration Policy promoting the incorporation of ESG and climate-related criteria into variable compensation plans
- Approved financed emissions reduction targets for the Automotive Manufacturing and Steel sector portfolios

2024



trained as facilitators to organise additional, in-house workshops.

Through an interactive and collaborative card game, our colleagues explored the fundamental science behind climate change and reflected on our shared journey to net zero.

Strategy

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

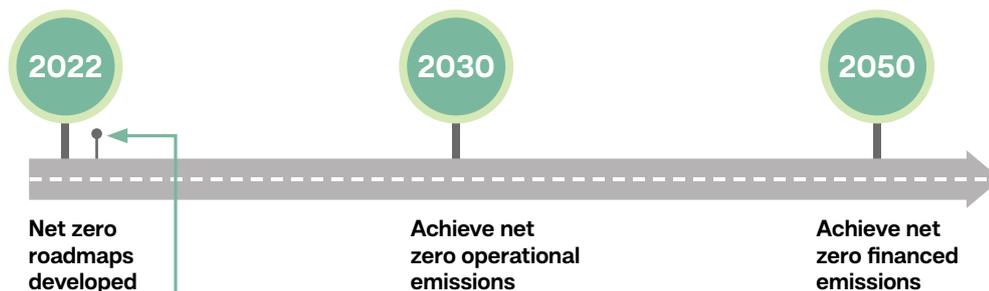
Our Net Zero Commitment

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

In 2022, we developed net zero roadmaps that have been approved by the Board. These roadmaps delineate our strategy for achieving net zero, detailing the action items, focus areas, and interim targets for the short, medium, and long terms necessary to meet our ambitious goal.

These critical commitments are fully supported by the highest levels of our organisation and have been embedded into the Group’s rolling five-year plan, which assists the Board in shaping our vision, strategy, and targets.

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



Our Progress Towards Net Zero in 2024

Financed emissions

Completed financed emissions measurement of carbon-intensive sector portfolios, including **Aluminium, Automotive Manufacturing, Aviation, Cement, Commercial Real Estate, Energy (Oil & Gas), Power, and Steel**

Set interim emissions targets for the **Automotive Manufacturing and Steel sectors**

Developed sectoral transition plans for the **Power and Energy (Oil & Gas)** sectors based on emissions data collected from customers

Collected customers' transition plan data, facilitating the development of customer engagement strategies with business units

Operational emissions

Performed energy audits, laying out investment and offsetting strategies to achieve net zero operational emissions

Identified **more than 45 initiatives** from the energy audits to be implemented in 2025

Transition planning

BEA is guided by a robust and comprehensive net zero transition strategy that integrates decarbonisation efforts across our entire portfolio. This strategy focuses on enhancing governance, customer assessment, data management, and decision-making processes to achieve meaningful progress toward our climate goals.

Internal governance processes have been strengthened to include portfolio alignment monitoring. This ensures that our financing and investment decisions align with science-based targets, and progress is regularly reviewed in our ESG governance meetings to meet net zero objectives.

We have enhanced our customer review processes to assess the credibility of customers' transition plans, and determine customers' readiness to align with net zero goals and industry best practices. The process enables us to engage proactively with customers on their decarbonisation journeys and identify potential risks and opportunities.

To improve accuracy and transparency, we are upgrading our financed emissions platform to facilitate more granular and frequent tracking of portfolio emissions and support more informed decision making.

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

For details of BEA's sectoral transition plans, please refer to the [Metrics and targets](#) section.

Customer engagement

Customer relationships are an opportunity to amplify our impact on climate and other ESG-related issues as we facilitate their low-carbon transition. With all available emissions and transition plan data for portfolio companies in the carbon-intensive sectors collected, in 2024, we began developing detailed customer engagement approaches to encourage and support customers to reduce their emissions.

Our customer engagement efforts will include regular communication to explain our transition efforts and understand customers' progress, targeted training and workshops to build decarbonisation capacity. We will also assess customers' transition financing needs, recommend ESG advisors, and provide financing for related projects.

Climate-focused stress testing

Scenario analysis and stress testing are powerful tools to help us to assess the financial impacts and climate resilience of our business portfolio and operations in different scenarios. The results provide a macro-level perspective and guide the formulation of forward-looking strategic plans to help us prepare for and mitigate the uncertainties arising from climate change. It also helps us evaluate and improve gaps in our internal data infrastructure to support timely and regular monitoring of climate-related risk.

The HKMA-led CRST exercise, first conducted in 2021, is a key initiative we use to understand climate-related impacts under extreme emission pathways. The 2023-2024 CRST exercise was further enhanced to apply a diverse range of scenarios: one short-term (2023-2027) scenario and three long-term (2023-2050) scenarios (i.e. below 2 °C, delayed transition, current policies) with reference to climate models developed by the Network of Central Banks and Supervisors for Greening the

Financial System (NGFS). The referenced NGFS scenarios are most relevant to BEA and our climate-related ambitions as they were developed specifically for banks, and include a long-term scenario aligned with the goal of the Paris Agreement to limit warming to 2°C above pre-industrial levels. The three long-term scenarios generate a comprehensive view of the extreme emission pathways based on the world's transition efforts, which are effective in examining the Bank's climate resilience.



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



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



Current policies assumes that only currently implemented policies are preserved, leading to high physical risk.

Each scenario incorporates assumptions about changes in climate patterns and transition indicators, such as carbon emissions, pricing, energy mix, and technological advancement.

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



Physical Risk

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

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

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



Transition Risk

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

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

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

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

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

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

In 2024, BEA completed the CRST led by the HKMA on the long-term scenarios. Due to our strong capital buffers built up over the years, the exercise indicated that financial impacts from climate change do not create significant capital impact on the Bank under the short-term and long-term scenarios. Overall, CRST findings currently confirm that our existing strategy and business model remain resilient to the

impacts of climate change across various scenarios. The Bank will continue to monitor its lending and investment portfolio while working towards its net zero commitment and managing climate-related risks.

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

Risk Management

We seek to manage climate-related risks in line with our organisation-wide commitment to prudent risk management. Specific climate-related risk management measures include supporting customers transitioning towards a low-carbon economy, controlling

BEA's exposure to brown sectors, and establishing procedures to assess climate-related risk in loan and debt portfolios.

Our approach to climate-related risk management

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

Risk identification and measurement

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

Enhancing counterparty-level climate-related risk assessment

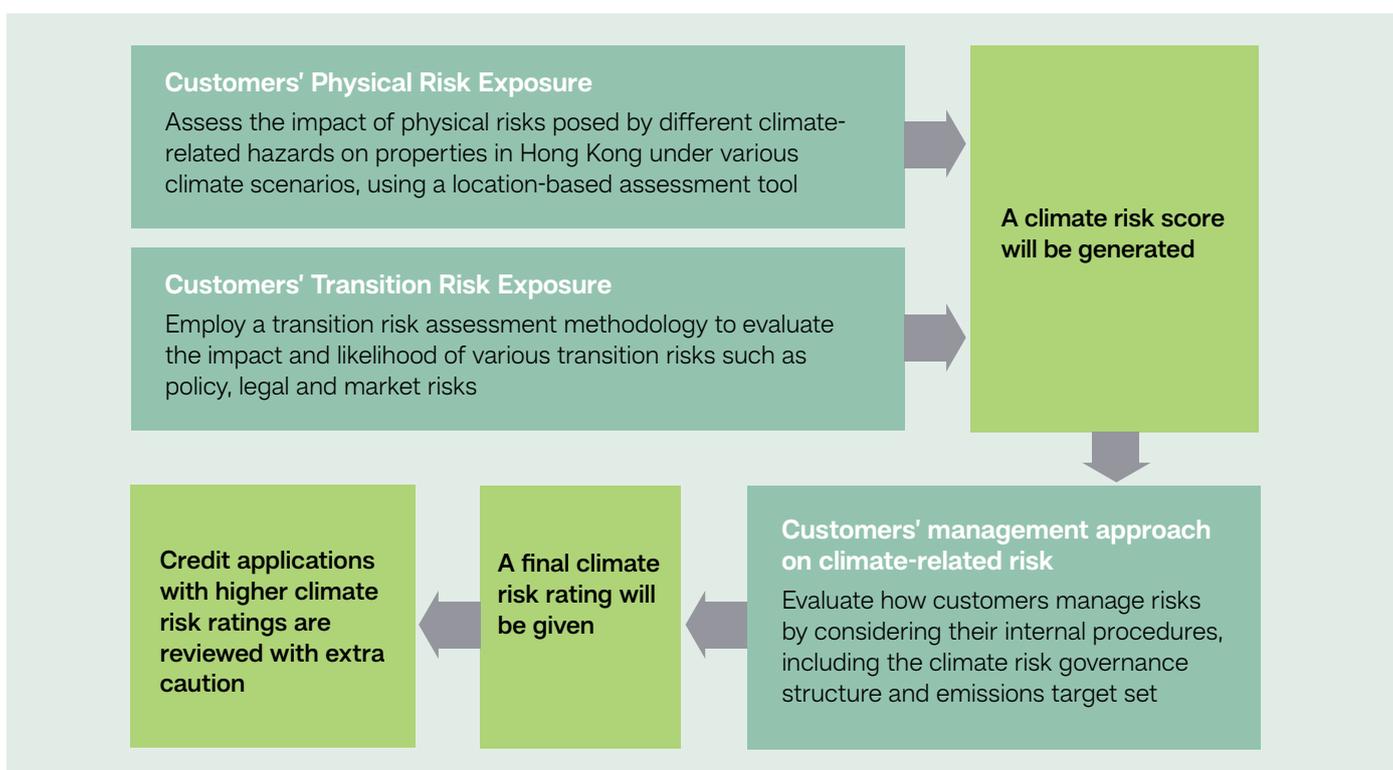
In June, we strengthened the climate-related risk assessment process for customers in our corporate loan and debt portfolio with an enhanced climate risk assessment template. The tool allows teams to better understand the physical and transition risks applicable to our customers, and mitigation effort required. The results also help us examine concentrations of

higher-risk portfolios, develop appropriate risk management strategies, and provide customised support to customers in future engagements.

Customers' climate-related risks are assessed according to physical and transition risk exposure. For physical risk, this includes location-specific risks leveraging a physical risk assessment tool. Transition risk is assessed by understanding

the impact and likelihood of risk drivers, including policy and legal, technology, market, and reputational risks. A climate risk score is calculated by considering the specific risks relevant to each customer. By examining these risks alongside the customer's ability to effectively manage and mitigate them, a conclusive climate risk rating is generated. Credit applications with higher climate risk ratings are reviewed with extra caution.

Our counterparty-level climate risk assessment



Understanding sector-specific climate-related risk exposure

Our proprietary climate risk heatmap helps teams throughout BEA to quickly identify sectors that are highly vulnerable to climate change. The tool incorporates a set of vulnerability ratings, (i.e. low, medium, high, extreme), to assess different transition and physical risk in various industries. Impacts are considered across numerous parameters, including revenue, cost, operational disruption, asset damage, and

market share. The tool helps business units monitor sectoral risk profiles and prioritise resources to assist customers in vulnerable sectors to develop climate resilience and transition plans, helping us accelerate mitigation efforts while developing our sustainable finance business.

Climate-related risks and opportunities

Through our ERM framework and practices, engagement workshops with our internal financial and non-financial Risk Controllers,

and extensive research on the impacts of identified climate-related risks, we have identified emerging climate-related risks and opportunities that may materially affect our business and operations.

The following page outlines selected examples of significant climate-related risks and opportunities. Going forward, we will continue to monitor the evolving landscape and track our progress in managing these risks and opportunities.

Climate-related Risks and Opportunities	Drivers of Risks and Opportunities	Related Principal Risk Types	Business Impact	Time Horizon*	BEA Responses
Responsiveness of the Bank in considering climate change in the Bank's business, strategic, and operational decisions	The financial sector faces growing expectations from diverse stakeholders to proactively manage ESG risks and opportunities as ESG awareness rises. It is therefore crucial for the Bank to build capacity over time to measure and mitigate climate-related risks.	Strategic, Credit, Operational, Reputation, and Compliance Risk	Failure to meet growing expectations to manage ESG risks could lead to negative impact on business performance, operations, and the reputation of the Bank. Embedding climate-related risk considerations into the decision-making process is also a regulatory requirement. On a macro scale, climate change has the potential to pose major risks to the growth of the global economy and it has become common consensus that climate-related risks could significantly impact the financial sector.	Short to long term	<p>Responding to growing stakeholder expectations for the Group-wide integration of climate change management across the Bank's operations, BEA has cultivated a climate-conscious culture and embedded sustainability considerations into daily operations.</p> <ul style="list-style-type: none"> Launched a Group-wide mandatory ESG training programme including modules on sustainability, climate change and net zero, and climate-related risk management. Arranged GSF-specific training for relationship managers. This training familiarises them with the Bank's GSF framework, relevant products, and greenwashing risks. Thematic training on climate-related risks for general managers and heads of Risk Management in branches across other markets, focusing on the Bank's climate-related risk strategy, initiatives, market developments, regulatory changes, and internal policy requirements. Organised staff volunteering programmes with ESG and climate-related elements to promote staff awareness of environmental protection and climate change mitigation. Reviewed and reported ESG performance, GSF trends, and climate-related risks to the Board.
Effect of physical and transition risks on the financial performance of the Bank and the value of the Bank's assets	Extreme climate events, such as rising sea levels and intensifying typhoons, are a physical risk that may lead to the devaluation of real estate collateral and the investment portfolio of our Bank. Additionally, the worsening impacts of climate change will have a profound effect on the global economy either through direct losses due to physical damage from extreme weather events, or through stricter controls from a quicker pace of transition to a low-carbon economy.	Credit and Market Risk	Acute climate impacts have the potential to negatively affect customers' profitability. Moreover, chronic climate shifts may impact economic outlook at a macro level, leading to deteriorating financial market performance, a weakened macro-economy, and devaluation of assets held as collateral. More severe climate impacts could accelerate the low-carbon transition leading to stricter public policy, shifts in market sentiment, and changes to customer preferences—all of which could directly impact the financial performance of the Bank and its customers.	Mid to long term	To ensure the Bank is well prepared to mitigate potentially significant impacts of climate-related risks specific to the financial sector, BEA completed HKMA's CRST in 2024 on long-term climate scenarios. Based on the CRST, BEA continues to adhere to the resulting ESG and climate-related risk action plan to enhance our ESG risk-related infrastructure. These forward-looking measures have enabled the Bank to take early action in managing risks across our lending and investment portfolios.
Effect of climate change on the Bank's premises and branches arising from acute and chronic climate events	Extreme climatic events place a heavy burden on the Bank's business continuity systems. These must be designed with extreme climatic events in mind as inadequate protection may result in business disruptions, impacting BEA's personnel and customers, workplace safety, critical infrastructure, and system dependencies.	Operational Risk	The Bank's operational capacity and cost expenditure could be negatively impacted if extreme climate events cause significant damage to BEA's office premises and other assets including retail branches and automated teller machines (ATMs).	Short to long term	To mitigate the Bank's exposure to the effects of climate change on our operations, we have in place an existing business continuity management framework and policies. These ensure our Bank's essential services and operations are prepared to manage disruptions in the event of an emergency or disaster, including but not limited to extreme weather events.
Effect of climate change on the financial fluidity and profitability of loans and investment portfolio	Climate change is demanding a shift in the economy to transition to more sustainable business models. Decreasing demand for carbon-intensive products paired with the increasing cost of business for high emitters poses risks to the banks financing these industries. An acute and fast-paced transition to a low-carbon economy could degrade the asset quality of the Bank's loans and advances to customers, as well as investments in carbon-intensive industries.	Credit and Market Risk	These transition risks may manifest as increased expenses or decreased revenue due to carbon tax, stranded fixed assets, and shifts in market sentiment. Moreover, if profitability of customers and security issuers is adversely affected by a sharp transition to a low-carbon economy, it may substantially affect their repayment abilities.	Mid to long term	<p>BEA is actively monitoring exposure to climate-related transition risks through measurement of our financed emissions. Guided by the Bank's net zero roadmap and targets set for carbon-intensive sectors, BEA is proactively adjusting its portfolio towards low carbon-emitting industries, aiming to achieve net zero emissions in financed activities by 2050.</p> <p>With the GSF framework, the Bank encourages companies in brown sectors to start their low carbon transitions early. The sector policies identify lending activities that are considered "green" for brown sectors, which transform existing high-emitting activities into more environmentally responsible approaches. This facilitates our management of financed emissions and transition risks.</p> <p>For more information, please refer to the Sustainable Finance section of this report.</p>
Access to new capital and business opportunities	Investors and other stakeholders, including customers, are increasingly aware of ESG risk management, and have begun to use their knowledge of sustainability issues when making investment decisions. BEA recognises this global paradigm shift and is integrating environmental and climate-related issues into our operations, products, and services.	Strategic Risk	<p>Integrating environmental and climate-related issues into our operations, products, and services could enhance access to international capital markets while helping to reduce our exposure to bad debt and investment risk.</p> <p>Moreover, effective demonstration of the Bank's ability to address and manage ESG risks may open new financial channels with easier access to lower cost funds.</p>	Mid to long term	<p>In recognition of increasing market demand for green financing solutions, BEA is working closely with customers to provide green, sustainability-linked and social loans, supporting their transition to lower-carbon business models. Emerging GSF products (e.g., transition loans) are examined on their feasibility of adoption.</p> <p>In recent years, BEA has prioritised the expansion of its GSF corporate loans and ESG bond investment portfolio as evidenced by the update of the GSF framework. In keeping with emerging trends and to capture forthcoming climate-related transition opportunities, BEA will continue to grow this portfolio.</p> <p>For more details, please refer to the Sustainable Finance section of this report.</p>

* Short term: less than a year Mid term: 1 to 5 year Long term: more than 5 years

Risk monitoring

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

RAS quantitative indicators	Key updates in 2024
Percentage of loan and debt investment outstanding in brown sectors against the total loan and debt investment assets	Threshold tightened ↓
Percentage of loan and debt investment outstanding in GSF against total corporate loans and bond investments	Threshold remained unchanged =

Our GSF framework facilitates the classification and scoping of brown sectors without altering the Bank's credit underwriting standards. It provides consistent definitions and methodologies to help manage climate-related risks and opportunities. The Bank closely monitors exposure to seven brown sectors, which carry high transition risks at the portfolio level, and controls this exposure through risk appetite limits approved by the Board. Additionally, a quantitative RAS indicator has been established for GSF exposure, empowering the Bank's net zero journey and the pursuit of GSF-related opportunities. Sector-specific policies further assist our business units in identifying and acting on GSF opportunities by classifying green activities within brown sectors.

As Senior Management increasingly requires up-to-date information about climate-related risks, we have developed a quarterly climate risk report, "Climate Risk Radar", to facilitate reporting of quality information. The tool helps visualise key elements of climate-related risk, including physical

risks, transition risks, regulatory highlights, audit findings, and other thematic updates. By monitoring current risk exposure, as well as risk evolution, management can make better climate-related decisions and enhance the Bank's climate resilience in the long term.

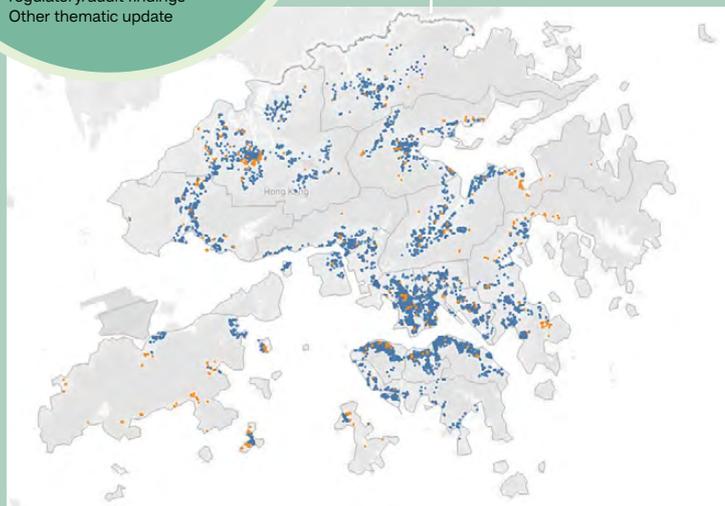
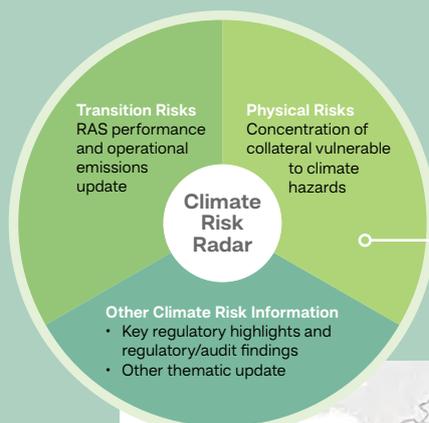
Mapping our Climate-related Physical Risk Exposure

With enhanced physical risk assessment technology, BEA has applied a location-based physical risk assessment tool and developed practical use cases. A key use case involves assessing the physical risk exposure of our residential mortgage collateral, a significant portfolio in Hong Kong.

The tool incorporates a database of physical risk-related data sources. By using the tool, we can evaluate the potential impact of climate hazards on loan collateral in Hong Kong under different climate scenarios. Collateral is categorised by physical

risk ratings, facilitating our analysis of risky collateral concentrations and their characteristics. By applying data analysis and visualisation techniques, a spatial map is established and reported in the "Climate Risk Radar". Senior management can now better understand physical risk exposure in our mortgage portfolio, regions with higher concentrations of risky collateral, average loan-to-value ratio of a region, and key climate hazards.

The information supports the development of Bank-wide strategies and risk management procedures during customer due diligence. The assessment result shows that BEA's Hong Kong residential mortgage portfolio does not have a material exposure to collaterals susceptible to climate-related physical impacts.



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

ESG Risk Hub
One-stop information on climate-related risk management



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

Building Blocks of our ESG and Climate-related Risk Management

Enhancing Climate-related Risk Assessment and Monitoring
Portfolio-level
RAS and relevant risk monitoring metrics
CRST
Climate-related risk heatmap
Climate Risk Radar
Counterparty-level
Climate-related risk assessment incorporated in credit assessment
Climate-related data included in digitalised ESG data for analytics, management information reporting and disclosures
Enabling Green and Sustainable Banking
GSF framework, including GSF loan classification checklist, sector policies, sectorisation list, and a list of prohibited lending incorporating climate-related risks
Nurturing ESG Risk Talent
Capacity building
Internal risk culture and awareness of climate-related risk and sustainability

Metrics and targets

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

Scope 3 Emissions

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

Financed Emissions

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

Our approach to setting and reviewing financed emissions targets is guided by key methodological decisions that align with Net-Zero Banking Alliance (NZBA) and current industry practices. We have collaborated with a consultant specialising in emissions measurement and target setting

to ensure the robustness and accuracy of our approach. Recognising the evolving nature of these practices and standards, we anticipate periodic updates to our estimates and assumptions, which may necessitate restatements. In the reporting year, we revised our baselines and targets for the Energy (Oil & Gas) and Power sectors to reflect updated methodologies and data.

In 2024, we enhanced the scope and coverage of carbon-intensive sectors⁸, in accordance with the NZBA guidance. Our in-depth analysis covers portfolios in Aluminium, Automotive Manufacturing, Aviation, Cement, Maritime, and Steel. Significant data challenges were identified in the Aviation and Maritime sectors, primarily due to the need for physical activity data from aircraft lessors and shipping companies. While Aluminium and Cement industries are emissions-intensive, our current financial exposures and associated financed emissions for these sectors remain immaterial.

Considering emissions materiality, data availability, recognised pathways, and other relevant factors, we selected Automotive Manufacturing and Steel sectors for emissions reduction targets in 2024, with approval from our ESG Committee.

We will continue to monitor exposures across all sectors and reassess the need for additional targets as circumstances evolve.

Limitations

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

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

The Bank's broader sustainable finance goals and targets, such as the GSF targets, also involve climate-related financing. For more information, please see the [Sustainable Finance](#) section. For a more detailed overview of BEA's metrics and targets relating to GHG emissions specifically, please see the [Operational Emissions Reduction](#) section and [Our Performance](#) chapter of this report.

⁸ Prior to joining the NZBA, BEA had scoped its emissions measurement exercise based on the HKMA's 2021 Climate Stress Test. However, starting from 2023, BEA adopted NZBA's recommendations regarding sector coverage for measuring and setting targets for financed emissions.

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



Overview of Net Zero Financed Emissions Progress

Sectors ⁹	2022	2023	2024	2025	2026	2027	2028	2029	2030
Energy (Oil & Gas)	Measurement	Target Setting	Transition Planning	Ongoing Emissions Monitoring and Portfolio Alignment					
Power									
Automotive Manufacturing		Measurement	Target Setting	Transition Planning	Ongoing Emissions Monitoring and Portfolio Alignment				
Steel									
Aviation		Measurement	Measurement	Target Setting	Transition Planning	Ongoing Emissions Monitoring and Portfolio Alignment			
Commercial Real Estate									
Aluminium	Measurement (Target Setting when significant)								
Cement	Measurement (Target Setting when significant)								
Maritime	Evaluation (Measurement when data available)								

Overview of our financed emissions reduction targets¹⁰

Sectors	Value chain focus	Scope of emissions included	Reference scenario	Metric	Baseline Year	Baseline Performance	2030 target (reduction vs baseline)
Automotive Manufacturing	Manufacturing of light duty vehicles and use-phase emissions	Scope 1 – 3 (Category 11)	IEA NZE (2023)	gCO ₂ e/vkm ¹¹	2023	113	61 (46%)
Energy (Oil & Gas)	Upstream; Midstream; Downstream; Integrated	Scope 1 – 3	IEA NZE (2023)	MtCO ₂ e	2022	1.78	1.32 (26%)
Power	Power generation	Scope 1 & 2	IEA NZE (2023)	tCO ₂ e/GWh electricity & heat generated	2022	665	186 (72%)
Steel	Steel manufacturing	Scope 1 & 2	Mission Possible Partnership (MPP) Technology Moratorium (MPP TM 2024)	tCO ₂ e/t steel manufactured	2023	1.86	1.64 (12%)

Carbon-intensive Sectors' Financed Emissions in Summary

Sector	Year	Financed Emissions (in MtCO ₂ e)		Emission Intensity		Data Quality Score	
		Scope 1 & 2	Scope 3	Performance	Metric	Scope 1 & 2	Scope 3
Automotive Manufacturing	2023	0.003	0.08	113	gCO ₂ e/vkm ¹¹	1.1	1.0
Energy (Oil & Gas)	2023	0.74	1.11	N/A	MtCO ₂ e	2.4	3.8
	2022	1.07	0.72	N/A		3.0	4.1
Power	2023	1.54	N/A	496	tCO ₂ e/GWh electricity & heat generated	3.1	N/A
	2022	0.88	N/A	665		3.4	N/A
Steel	2023	0.65	N/A	1.86	tCO ₂ e/t steel manufactured	2.8	N/A

⁹ BEA did not have any exposure to thermal coal mining as of 31 December 2023

¹⁰ These targets apply to BEA Group's holdings across various asset classes, including listed equities, corporate bonds, business loans, trade finance, and green and sustainable finance instruments, and include all GHG as defined by the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol).

¹¹ Vehicle kilometre (vkm) is defined as the total estimated lifetime kilometres travelled by all newly manufactured light duty vehicles sold during the reporting period.

Progress against our sectoral financed emissions targets¹²



The Power sector is one of the most significant carbon-intensive sectors globally, which has a crucial impact on the world's ability to achieve net zero emissions. BEA established a target for this sector in 2023, using 2022 as the baseline year. In 2024, we adjusted both base year emissions and the 2030 target to reflect an adjusted calculation approach recommended by PCAF¹³, the inclusion of GSF products¹⁴ and the adoption of the 2023 scenario figures from the IEA. Our reassessment led to an approximate 40% increase in baseline emissions. However, this adjustment facilitated a more aggressive targeted reduction, which rose significantly from 65% to 72%.

Progress in 2023

In 2023, the Group's emission intensity was 496 tCO₂e/GWh, a significant 25% drop from 2022. The drop is mainly the result of increased financing of renewable energy companies and projects.

Although the current emission intensity for the Power sector was above the IEA NZE reference scenario of 411 tCO₂e/GWh, it is well below BEA's projected emissions reduction pathway. We will continue to closely monitor our portfolio performance and work towards the achievement of our 2030 target.

Interim target and portfolio progress



Transition plan

Portfolio diagnostics/challenges

- The Group's lending and investment portfolios have an almost equal share of exposure to the Power sector.
- The global shift towards renewable electricity is key to decarbonising the Power sector. However, the majority of our Power sector portfolio lies in the Chinese Mainland and Hong Kong, where the renewable energy share in the generation mix remains relatively low. We acknowledge the national carbon neutrality pledge and the emission intensity targets set by some individual portfolio companies in the Asia-Pacific region.

- Nearly one-third of our portfolio comprises renewable energy companies, showcasing the Bank's commitment to supporting the energy transition. However, as the renewable electricity sub-sector also includes some waste-to-energy companies which do have Scope 1 and 2 emissions from their operations¹⁵, the emission intensity of the renewable energy sub-sector stood at 448 tCO₂e/GWh in 2023.
- The Bank will continue to provide financing to power companies using lower-intensity fossil fuels (e.g., gas-fired power generation activities), recognising their role in the energy transition. Additionally, BEA will support zero-carbon power generation projects and activities, including existing solar and hydro power plants in the Chinese Mainland, as well as other on-shore wind power projects.

Decarbonisation levers

- BEA will continue to enhance its customer review process to effectively assess its portfolio companies' net zero transition plans. For customers with high carbon emission intensity levels, we offer sustainable financing and will introduce ESG advisory services to assist them in their net zero transition.

- BEA will closely monitor the development of other low-carbon technologies, such as carbon capture and storage for existing thermal power plants in the Power sector.

¹² Since many portfolio companies will disclose their financial and emissions data for the year ended 31 December 2024 at the same time or after the publication of this report, the financed emissions data in this report is based on the Group's 2023 performance.

¹³ According to the PCAF Database Update released in March 2024, a new set of country-specific and sub-sector specific emission factors is recommended for calculating financed emissions in the Power sector for public emissions reporting, replacing the old set of emission factors based on Exiobase.

¹⁴ Although the GSF portion of BEA's portfolio is generally associated with a lower production-based emission intensity than the non-GSF portion, GSF emissions may not be negligible. The amount of emissions will depend on the type of GSF instrument, the nature of the financed project, and various geographical factors.

¹⁵ Also, the financed emissions of some in-scope portfolio companies/projects (e.g., financing towards green bonds) are not calculated based on actual reported emissions but estimated by country or regional average values due to data limitations.



Energy (Oil & Gas)

The Energy sector generates significant operational emissions, and it is linked to emissions throughout global value chains wherever its products are used. This sector therefore plays a key role in driving down global emissions by 2050. Similar to the Power sector, BEA established its sectoral target in 2023 with a 2022 baseline, and adjusted base year emissions and the 2030 target in 2024 to reflect an adjusted calculation approach¹⁶, the inclusion of GSF, and the adoption of the 2023 scenario figures from the IEA. These adjustments have resulted in a remarkable ~63% reduction in baseline emissions. Consequently, the 2030 reduction target for this sector was slightly adjusted from 27% to 26%.

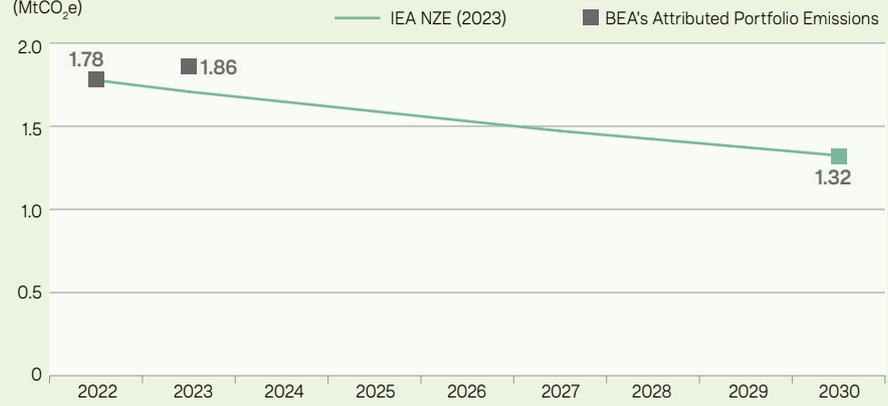
Progress in 2023

The Group's absolute financed emissions in the Energy (Oil & Gas) sector increased by 4.5%, from 1.78 MtCO₂e in 2022 to 1.86 MtCO₂e in 2023. This was mainly due to increased outstanding exposure to carbon-intensive energy companies.

As the emissions level is slightly above the IEA NZE scenario's projected trajectory, we conducted further analysis for identifying key reduction opportunities and have planned appropriate responses in coordination with relevant business units.

Interim target and portfolio progress

Absolute Financed Emissions* (MtCO₂e)



* Unlike other carbon-intensive sectors, the Energy (Oil & Gas) sector's reduction target is an absolute emissions target developed based on the rate of change approach, thus the reduction trajectories of BEA's reduction target pathway and the IEA NZE scenario are the same.

Transition plan

Portfolio diagnostics/challenges

- The vast majority of our Energy (Oil & Gas) sector portfolio's coverage is from debt investment, while the geographical distribution of the sector's exposure is spread across different regions in the world. It is observed that some energy companies have started to explore and adopt more low-carbon energy sources in their production but we also acknowledge that the progress varies depending on the markets and jurisdictions in which they operate.

Decarbonisation levers

- BEA's bond investment portfolio is the source of the majority of the Bank's financed emissions in the Energy (Oil & Gas) sector. Given that a number of investments with high financed emissions will mature in the next two to three years, we anticipate a gradual decline in the sector's absolute emissions up to 2030.
- Similar to the Power sector, we will continue to perform net zero transition assessments on our portfolio companies. After the natural rundown

of our existing debt investment, we plan to replenish our holdings with portfolio companies with lower emission profiles and credible transition strategies.

We will keep abreast of the latest developments in decarbonisation technologies in the market including methane abatements, such as elimination of venting and flaring, the wider adoption of sustainable bioenergy and possible application of hydrogen energy as a replacement.

¹⁶ According to the PCAF Database User Briefing document released in early 2024, it is recommended to use the sector and regional average Exiobase emissions factors for emissions calculation and public reporting, instead of sub-sector and country values that were previously adopted.



Road passenger transport accounts for roughly 16% of global emissions¹⁷, and manufacturers of light duty vehicles have a critical role to play in the net zero transition. For the Automotive Manufacturing industry, tailpipe emissions from fuel combustion during the lifetime use of vehicles contribute the majority of its total value chain emissions.

We have established a physical emission intensity target to achieve a 46% reduction in our financed emissions by 2030 (61 gCO₂e/vkm) from the 2023 baseline, with reference to the IEA NZE Scenario¹⁸. Most companies are global manufacturers or

joint ventures, with emissions information is readily available, either directly from the report or estimated from renowned sources such as the Transition Pathway Initiative¹⁹.

Looking ahead, we are aware of the rapid development of the industry, including the switch from internal combustion engine

vehicles to battery electric vehicles. These developments are expected to significantly contribute to the reduction of tailpipe emissions, and we will continue to engage with key customers in the industry to support the transition.

Interim target

Emission Intensity
gCO₂e/vehicle kilometre (vkm)



The Steel sector accounts for roughly 7% of global GHG emissions²⁰, and is one of the highest emitting of BEA's carbon-intensive sectors. We established a production emission intensity target with reference to the MPP TM²¹ scenario to reduce our financed emission intensity from 1.86 tCO₂e / tonne of steel manufactured (tCO₂e/t steel) in 2023 to 1.64 tCO₂e/t steel in 2030 (a 12% reduction)²².

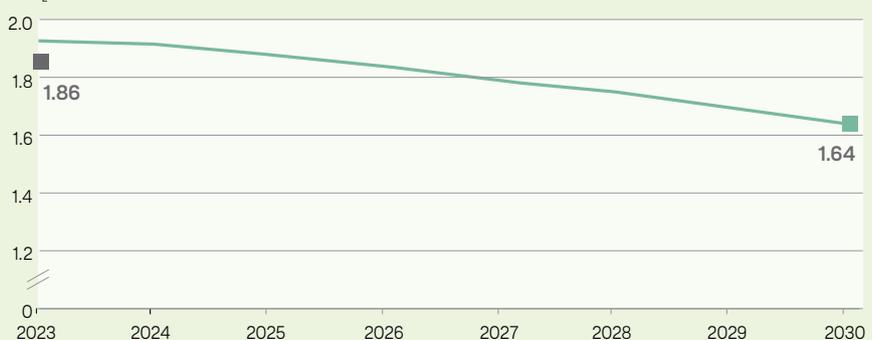
We will continue to monitor low-carbon technology developments and the increasing reliance on electrification in the

market, including ways to retrofit existing blast furnace-basic oxygen furnace facilities (BF-BOF) with carbon capture, utilisation, and storage (CCUS), and scrap-based electric arc furnaces and hydrogen-based

direct reduction plants with electric arc furnaces to achieve energy efficiency improvements in steelmaking. We will also work closely with our customers to achieve the reduction target.

Interim target

Emission Intensity
tCO₂e/tsteel



¹⁷ IEA, World Energy Outlook (WEO) 2024

¹⁸ The IEA NZE Scenario is 1.5°C-aligned and recognised the progress made in the recent update of electric vehicles development.

¹⁹ Transition Pathway Initiative: Autos Sector, <https://www.transitionpathwayinitiative.org/sectors/autos>.

²⁰ IEA, WEO 2024

²¹ The MPP TM scenario is 1.5°C-aligned and is preferred over other reference scenarios because it has taken into account more detailed sector-specific technological and economic conditions.

²² The baseline emission intensity level of BEA's Steel sector portfolio in 2023 is considered relatively low, as some of our customers use recycled scrap steel in their manufacturing processes.

Outlook



In 2025, we intend to build upon our foundation and continue to drive positive change towards net zero.

Regarding financed emissions, we will strive to develop baseline emissions and set science-based emissions reduction targets for the Aviation and Commercial Real Estate sectors, as we actively explore options to improve data availability. However, substantial data challenges persist in sectors such as Maritime. For these sectors, we will continue monitoring developments and revisit the target-setting timeline when data quality improves.

In addition, we will develop sectoral transition plans for the Automotive Manufacturing and Steel sectors, outlining tailored decarbonisation levers and progress indicators. To support our efforts, we will provide training to frontline staff, ensuring that financed emissions are integrated into business development processes and enabling meaningful transition discussions with customers.

To further enhance our disclosures and prepare for regulatory compliance, we will review data availability and required analysis regarding IFRS S2 Climate-related

Disclosures and Basel Pillar 3 requirements on climate-related risk disclosure. Data technologies will be examined for their feasibility to further strengthen our climate risk analytics capability, including scenario analysis and stress testing. Thematic discussion groups will be formed to engage various internal stakeholders in contributing climate-related risk management ideas and sharing knowledge among the Head Office, subsidiaries and overseas branches.

Financial Literacy and Inclusion

[GRI 203, 405, 406]



Why it matters

 Drawing on over 100 years of expertise in financial services, BEA recognises its role in promoting financial education to strengthen and inclusively grow the economies in which we operate. This commitment also fulfils our crucial duty to ensure that we conduct business with customers on an informed and fair basis. Accordingly, we aim to empower individuals, especially vulnerable and underserved groups, to effectively manage their money, create budgets, make sound investment choices, and avoid scams through various programmes.

Management approach

 As a signatory to the TCF Charter, BEA is dedicated to promoting financial literacy and inclusion. Financial education is embedded in our service delivery, with approaches tailored to reflect the needs of different demographics and markets. Annual TCF refresher training provided to Hong Kong employees reinforces our commitment to providing reasonable access to basic banking services, especially to vulnerable groups, and promoting financial literacy. Topics include the Practical Guideline on Barrier-free Banking Services and the guidelines regarding ATM installation launched by the HKAB, as well as the benefits of BEA's Community Care Counter.

Regionally, we adhere to applicable guidance and develop approaches that reflect local contexts. For example, the Vulnerable Customers Procedure Manual & Policy and Arrears Handling Manual equip teams in the UK to support vulnerable customers in financial difficulty.

Additionally, a Consumer Duty Working Group, Vulnerable Customer Champions and Consumer Duty Champions at the UK management and operational levels are put in place to ensure good customer outcomes. For more information about how we implement the TCF Charter, please see the [Responsible Products and Services](#) section.

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

Programmes and initiatives

 We work to ensure our customers and the general public understand, and can effectively utilise, our diverse range of products and services. Our efforts focus on youth, senior citizens, customers with special needs, those in remote areas, and small businesses—targeting some of the groups that can benefit most from our offerings.

MPF customers and the public

We regularly distribute foundational investment knowledge to promote financial literacy among MPF customers and the public through multiple channels. The Investment Corner on BEA's MPF website offers resources, including quarterly "BEA Wise" market intelligence reports. The BEA MPF e-Newsletter with investment insights is also published on the MPF website and sent directly to MPF customers via email. During the reporting period, a "Health-MPF" All-inclusive Retirement Online Seminar was held for existing MPF customers, covering a global market review and outlook delivered by the Vice President (Client Services) of BEA Union Investment, followed by a discussion on common orthopaedic conditions/disorders in Hong Kong led by a specialist in orthopaedics and traumatology.

Students and youth development

Financial literacy is best achieved when education begins early. By engaging in a variety of community activities, we share financial information and advice with young people to cultivate the right attitudes and behaviours regarding money management before it can become a problem.

In December, as part of BEA's commitment to promoting financial wellbeing, the Bank co-organised the "Financial Literacy Carnival" with St. James' Settlement to promote financial knowledge among primary students through interactive workshops and game booths. For details, please refer to the [Responsible Business](#) section under [ESG Highlights](#).

For more information on other programmes, please see the [Community Partnerships and Volunteering](#) section.

Senior citizens and customers with special needs

We provide safe and convenient access to our services through an inclusive branch network across markets. Specially designed teller counters and ATMs cater to customers requiring wheelchair access, visual or auditory support, and other forms of assistance. Active Listening Systems are installed at counters and in meeting rooms at all branches in Hong Kong to support hearing-impaired customers. Additionally, a conversational live chat service is available on the BEA website and BEA Mobile. For senior citizens, we offer the following benefits:

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

In addition to providing accessible physical locations, we strive to ensure our digital banking services meet the needs of customers aged 60 and above. Following the launch of the revamped BEA Mobile

app, we intensified efforts to promote digital banking among this group, exceeding our target to uplift the digital active ratio to 25.5% by the end of 2024.

We seek opportunities to engage directly with senior citizens. In the UK, we conducted a Fraud Prevention Education Seminar in November for elderly individuals within the local Chinese Community. The Seminar, which thoroughly covered six of the most common types of scams, used role playing based on real-life cases to encourage active participation and discussions and foster a pleasant learning atmosphere. Moreover, we shared useful fraud prevention tips, conveniently printed in a handy pamphlet for attendees' sharing with friends and families. Representatives from local community groups have since requested similar seminars for their members who may be especially vulnerable to scamming and fraudulent transactions.

We also promote positive ageing through decade-long philanthropic efforts, and remain acutely aware of the needs of individuals affected by dementia. To ensure



smooth and secure access to our banking services, our procedures and guidelines for personal banking products and services reflect the Guideline of Banking Service for Persons with Dementia (PWD) of Hong Kong. By implementing the principles and good practices outlined in this guideline, we provide accessible banking, and meet the needs and safeguard the financial assets of PWD.

Customers in remote areas

While customers in remote communities may be physically distant, their needs remain a priority. We continuously monitor the requirements of customers in remote areas and adjust service arrangements as appropriate. Extended operating hours through our i-Teller virtual counter services and enhanced banking options via multifunctional ATMs promote accessibility among this group.

Microfinance

BEA's EPBD has dedicated teams experienced in addressing the unique needs of SMEs, including microenterprises. We provide a comprehensive range of financial services, from account opening to cash management, treasury, and insurance services. Through the SME Financing Guarantee Scheme backed by the HKMC Insurance Limited, we also provide commercial loan products with a 100% loan guarantee, ensuring microfinance businesses can access the necessary funding to establish and expand their operations. For more information on how we support SMEs, please see the [Responsible Products and Services](#) section.

Outlook



To promote financial literacy and inclusion, we will continue to leverage our enhanced

digital banking services, featuring user-friendly platforms, step-by-step guides, and streamlined login processes for a seamless experience. We will also expand our offerings to meet evolving customer needs and comply with regulatory guidance wherever applicable, such as the regulator's expectations on "Consumer Duty and Vulnerable Customers", shared through regular updates and seminars.

Empowering Seniors to Proactively Plan for Their Lives

Encouraging retirees and elders to proactively plan their personal finances, health, interests, and goals is one of the priorities of our "Palliative Care for the Elderly" under the theme of "Golden Adventures".

In November, we hosted a day camp for over 60 seniors in the community at Jao Tsung-I Academy, where our volunteers assisted the participants in completing mission games around four "forces" (「四力」) – fun (「樂力」), fitness (「體力」), finance (「財力」), and future planning (「未力」), and motivated them to embrace their golden years.



Business Ethics

[Aspect B7]

[GRI 2-15, 2-16, 2-26, 2-27, 201, 205, 207, 403]



Why it matters

 Operating within a highly regulated industry, BEA's success depends upon our staff members acting with integrity and complying with applicable laws and regulations, which builds credibility and protects our corporate reputation. Unethical conduct can expose the Bank to fines, loss of market share, and significant reputational damage among our most important stakeholders, including regulators and customers. To address this, we have established a culture of ethics across all levels of our organisation, supported by robust policies and processes.

Management approach

 Stringent controls help ensure that we operate in an ethical manner, while robust governance infuses a culture of integrity and compliance into the Bank's activities from the top down. The Board-level Risk Committee oversees risk management, including ethical issues that could give rise to potential compliance and reputational risks, and regularly reports to the Board on significant risk-related issues.

Audits to assess the effectiveness of the business ethics governance framework (including anti-corruption) and control processes are conducted at least every three years. These audits follow a risk-based approach and are carried out by IAD and/or through external independent assessments.

More information on our risk management approach is available in the [Corporate Governance](#) section.

Codes of Conduct

The Directors' Code of Conduct and Policy on Conflicts of Interest guide our Directors in managing ethical issues, including conflicts of interest and fair dealing. It obligates Directors to avoid activities that could lead to actual or potential conflicts of interest and requires them to disclose such activities to the Reporting Officer prior to their materialisation. Directors must also declare any material interest in significant transactions, agreements, or contracts relevant to the Bank's business.

All staff, including permanent and non-permanent employees, must comply with BEA's Code of Conduct (the Code), which is reviewed at least annually by the Bank's Board of Directors and sets out a minimum standard of conduct across the business. The Code covers a wide range of topics, including corruption and bribery, discrimination, sexual harassment, use/confidentiality of information, conflicts of interest, money laundering, insider trading/dealing, and more. It is accessible to all relevant persons via BEA's intranet and clearly stipulates acceptable behaviour.

Any breach of the Code will give rise to disciplinary action, which may include remuneration adjustments, clawbacks, or criminal prosecution. Staff are required to promptly report any potential breaches to the GM and Group Head of PSD, as well as the alternate Code of Conduct Officer. Annually, all staff members are required to read the latest version of the Code, declaring their understanding and confirming compliance with it and the policies embedded therein. Training on the Code, covering a range of business ethics and integrity topics, is also provided to all staff members, including part-time and contract employees.

Staff grievance procedure

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

Whistleblowing Policy

BEA's Whistleblowing Policy and Procedure ensures employees can report concerns in confidence, without the fear of personal repercussions. A separate [Whistleblowing Policy](#) for external stakeholders, including suppliers and their staff members, is available via BEA's website. Reportable conduct under both policies covers ethical topics, such as corruption or illegal activities, as well as environmental or social concerns.

Anti-corruption

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

Anti-Corruption Measures

<p>1</p> <p>Conflict of Interest Policy</p> <p>Employees are required to avoid any actual or potential conflicts of interest, or the perception of such conflicts.</p> 	<p>2</p> <p>Conduct When Obtaining Business</p> <p>Employees are prohibited from offering or accepting bribes or advantages, as defined in the Prevention of Bribery Ordinance, to influence decisions of others whether directly or indirectly.</p> 	<p>3</p> <p>Personal Benefits</p> <p>Employees are prohibited from soliciting, accepting, or retaining personal benefits from other employees, customers, or suppliers of the Bank, other than in specific circumstances.</p> 
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The Bank ensures the effectiveness of the Group AML Policy, anti-bribery and corruption measures, and whistleblowing mechanisms through regular reviews and enhancements. Our [Statement on Anti-Money Laundering and Counter-Financing of Terrorism](#) is available for public access on our website.

Tax risk management and strategy

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

Fraud risk management

We seek to embed an anti-fraud mindset throughout the Group, supported by a holistic risk management mechanism encompassing prevention, detection, investigation, and corrective actions. This approach is also supported by our subsidiaries and joint ventures, all of whom adhere to similar policies aligned with our core values.

In our comprehensive strategy to combat fraud, we prioritise preventive measures such as the Group Policy on Fraud Risk Management, risk assessments, prevention and detection controls, training, and awareness programmes to minimise potential fraud risks. Proactive detection techniques, such as a fraud monitoring system, data mining, and trend analysis, enable prompt identification of fraudulent activities. Coordinated investigations and appropriate corrective actions help ensure thorough and timely responses to potential fraud incidents.

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

BEA remains resolutely committed to combatting illicit financial activities. We regularly update AML/CFT policies, procedures, and controls to address the

evolving landscape and mitigate related risks within the Group. The Group Policy on Anti-Money Laundering and Counter-Financing of Terrorism (Group AML Policy) also covers tax evasion and sanction risks, providing guidelines and standards for customer due diligence and record keeping. All Group members must adhere to the Group AML Policy, which takes precedence over all other considerations. Relevant guidelines support implementation and compliance, and are regularly reviewed to align with legal and regulatory changes.

The Bank adopts a risk-based approach in the design and implementation of AML/CFT systems. For instance, senior authority approval is required for higher-risk customers, including politically exposed persons. To promote awareness and compliance, regular AML/CFT training, covering international sanctions and tax evasion, is provided to all employees, Board members, and relevant Group members. Our Compliance Risk Management Manual outlines procedures for reporting regulatory matters, non-compliance incidents, and irregularities. We also strive to maintain a culture of vigilance by making AML/CFT resources readily available to employees through the BEA intranet.

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

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

Group policies and compliance

The Group has implemented numerous policies and guidelines to help ensure that our staff and business partners act ethically and with integrity when conducting affairs involving BEA. These policies and guidelines are periodically reviewed to address legal and regulatory changes and communicated to stakeholders through various channels, including websites, circulars, training, tender documents, contract terms, and more. To uphold high ethical standards, all Group employees, including part-time and contract staff, receive mandatory business ethics training each year.

Programmes and initiatives

BEA implements strategies and policies to promote ethical conduct with a focus on regulatory compliance, fostering an ethical culture, and driving continuous improvement.

Ethical culture

We continued to supplement annual refresher training with various programmes and initiatives related to anti-corruption and ethical conduct in 2024, including:

- Participating in a two-day "Professional Anti-Corruption Training in Banking Management Course" organised by the Independent Commission Against Corruption (the ICAC) in March;
- Reinforcing the anti-corruption message to frontline staff through various channels subsequent to receiving intelligence from the ICAC regarding an industry-wide surge in bribery cases in relation to account opening;
- Establishing "Integrity Corners" at the BEA China's headquarters in Shanghai and the Puxi office, providing integrity-related books and promotional materials to guide employees in upholding professional ethics; and
- Introducing a column titled "A Breeze of Integrity" in the BEA China's internal "Compliance E-Newsletter", which aims to raise awareness among staff at all levels about the principles of "daring not to be corrupt, being unable to be corrupt, and not wanting to be corrupt".

Business Ethics Policies

1	Code of Conduct	7	Group Policy on Fraud Risk Management
2	Conflict of Interest Policy	8	Group Tax Policy
3	Directors' Code of Conduct and Policy on Conflicts of Interests	9	Supplier Code of Conduct (SCoC)
4	Disciplinary Guidelines and Procedure	10	Staff Grievance Procedure
5	Group Policy on Anti-Bribery and Corruption	11	Third Party Risk Management Guideline
6	Group Policy on Anti-Money Laundering and Counter-Financing of Terrorism	12	Whistleblowing Policy and Procedure

■ Internal policy documents

Anti-Scam Protection Charter 2.0

BEA recognises the important role we can play in combatting the uptick in illegal scams in Hong Kong and beyond. Building on the 2023 Anti-Scam Consumer Protection Charter, the HKMA, in collaboration with the HKAB, launched the Anti-Scam Consumer Protection Charter 2.0 (the Charter 2.0) in April. The Charter 2.0 emphasises four principles to help the public identify credit card scams and other digital frauds, as well as guard against phishing messages purported to be sent by financial and merchant institutions.

BEA fully supports the HKMA's commitment to combatting fraud and as a "Participating Institution" implements the principles of the Charter 2.0. Accordingly, the Bank commits not to send any instant electronic messages to customers with embedded hyperlinks to acquire bank, credit card, investment, insurance, MPF account, or other sensitive personal information online. The Bank also actively shares anti-scam educational messages to raise public awareness.

Banking Industry Integrity Charter

In October, the ICAC, fully supported by the HKMA and HKAB, launched the Banking Industry Integrity Charter (Integrity Charter) to encourage ethical practices that reflect Hong Kong's status as a clean international financial centre. The Integrity Charter aims to combat and prevent corruption through public-private partnership, assisting banks to enhance integrity management systems while strengthening corruption prevention awareness and related capabilities.

corruption, fraud, and other illicit activities to the ICAC or other law enforcement agencies promptly.

To demonstrate the Bank's support and commitment, Mr Adrian Li, Co-Chief Executive represented BEA at the Integrity Charter Launch Ceremony and the Bank subscribed to become one of the Charter participating banks.

Under the Integrity Charter, participating banks must promote a sound bank culture, establish a code of conduct, assign an integrity officer to oversee good governance, provide integrity training to staff, and report suspected



Fraud prevention

While digitalisation and innovation improve banking services, they also present significant fraud risks. To address this, the HKMA issued an October 2023 circular on enhancing the security of electronic banking services, developed in collaboration with the Hong Kong Police Force (HKPF). During the reporting period, BEA successfully implemented all measures outlined in the circular, strengthening protections for bank customers against fraudsters seeking to conduct unauthorised transactions through e-banking accounts.

Demonstrating our commitment to fraud prevention within our business, BEA joined the "Anti-Deception Alliance" (ADA) organised by the HKPF in 2023. Since then, we have worked to implement the initiative's five joint Anti-Deception Initiatives:

1. Real-time fraud monitoring
2. Bank-to-bank information sharing platform
3. Suspicious proxy alert model
4. Enhancement of collaboration with the Anti-Deception Coordination Centre
5. 'Triple-1' Performance Pledge

By the end of 2024, we had implemented all of these measures. To raise public awareness, we welcomed the HKPF's anti-deception mascot, "The Little Grape",

to our Main Branch in Central. Together with police officers, the mascot distributed flyers to educate customers about common scams and share anti-scam tips under the theme "Ending Deception Starts with You".

We further improved the security of our communications by joining the SMS Sender Registration Scheme operated by the Office of the Communications Authority. From January, all SMS sent by BEA use registered sender IDs starting with "#" to assist the public in verifying the identities of SMS senders.

We are also actively engaging our staff in fraud prevention efforts. In 2024, we launched the Anti-Digital Fraud Video Competition, "Unlock Your Expertise, Prevent Digital Fraud". Staff were encouraged to form a team, produce a short video on digital fraud prevention, and complete the micro-learning programme, "BEA—Safeguarding Against Digital Fraud in Hong Kong". Three teams were awarded for their quality submissions. In addition, we continued to provide mandatory online refresher training in fraud risk management for all staff, embedding up-to-date knowledge of fraud risk and tactics to combat internal and digital fraud. The Board of Directors also received fraud risk management training materials during the year.

2024 Performance

100%



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

100%



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

Outlook



Looking ahead, the Group remains dedicated to upholding ethical business conduct through robust controls, enhanced training, and rigorous due diligence. We will stay vigilant in addressing AML/CFT, anti-fraud, and anti-bribery and corruption issues by continually strengthening our ethical framework and integrity standards.



Responsible Operations

BEA's commitment to making a positive impact extends from our products and services through to our own operations. We work to attract and retain thriving teams that can meaningfully contribute to our sustainability strategy, including through tailored training and development activities and impactful wellbeing initiatives. Across our offices, we aim to create a more efficient and resilient business by using resources more sustainably and adopting a lower-carbon management approach. We adopt responsible procurement practices to maximise our impact throughout our supply chain.



Talent Attraction and Retention

[Aspect B1]
[GRI 2-26, 401, 402]



Why it matters

At BEA, our talent is the driving force behind everything we achieve—from delivering exceptional products and services to our customers, to attaining strong financial performance, and leading in ESG management and accountability. In each case, the Bank's success depends upon our ability to attract and retain the right talent across our business and markets. We are committed to providing a meaningful and rewarding employee experience, supported by open communication, competitive benefits and remuneration, and growth opportunities, making BEA the employer of choice for outstanding and ambitious professionals.

Management approach



Our HRD, Senior Management, and line departments work closely together to formulate effective talent attraction and retention strategies. This includes reviewing workforce diversity and overall manpower needs to align with the Bank's business strategy. We adopt a merit and competence-based approach and provide opportunities for employees to advance their careers, as well as multiple channels for them to communicate their ideas and views within the Bank.

Strategic workforce and succession planning

Staff development and a robust talent pipeline are necessary to achieve BEA's organisational goals. Through ongoing strategic workforce planning and close monitoring of attrition, we identify the Bank's current and potential workforce skill gaps and opportunities to both strengthen our professional team and better serve our customers. With those opportunities in mind, our talent pool is constantly reviewed to match suitable candidates with our business needs and development direction. The staff referral scheme also encourages employees to refer quality candidates to join the Bank.

BEA's growth and legacy depend on effective succession planning. Our

Nomination Committee oversees this process, guided by the Group's Management Succession Policy, which aims to minimise disruptions caused by vacant executive positions, foster stability, and enable a seamless transition of leadership.

Internal mobility

We have in place a mobility policy to strengthen our talent pool through transfers, internal recruitment, exchange programmes, short-term assignments, secondments, and job shadowing. New opportunities are publicised via an online job board, and relevant channels allowing promising employees to pursue new roles and projects that align with their career aspirations. We also track internal hiring, with statistics factored into each division's scorecard to encourage internal mobility.

Staff benefits and engagement

The Remuneration Committee oversees the Bank's remuneration framework and governance, which is guided by the Group's Remuneration Policy. Our competitive benefits packages encompass medical and life insurance, paid leave, retirement plans, and preferential rates on a range of banking services. During the reporting period, a new Staff Housing Loan Scheme was introduced to provide our staff more options that meet their needs.

We offer special leave options to promote work-life balance, such as monthly half-day wellbeing leave, one-week marriage leave, birthday leave, examination leave, 16-week paid maternity leave, and more. In 2024, we improved our paid paternity leave for full-time and contract employees, extending it from 7 days to 10 days, effective from 2025. Employees may also be offered paid care leave beyond parental leave; for example, employees in the Chinese Mainland who have passed their probation period are entitled to a maximum of five working days of paid caregiver leave per year if their parents, spouse, or children are hospitalised. Non-permanent full-time staff are also eligible for certain benefits, such as maternity leave and paternity leave. Depending on employment category,

staff may enrol eligible family members for medical benefits. These staff benefits are reviewed annually.

All staff also retain the right to request flexible working hours, work-from-home arrangements and part-time working options to fit their circumstances subject to the Bank's needs and applicable policies in our markets, such as the Policy and Procedure on Flexible Work Arrangement Requests at the Singapore Branch, effective from December.

We value open communication and engagement with our employees to enhance their overall experience at the Bank. Established communication channels, including the annual Bank-wide employee

survey, quarterly Group-wide and divisional meetings, fireside chats with Senior Management, and the Senior Management Mailbox, allow employees to speak up and share their ideas and experiences. We also track voluntary turnover and conduct exit interviews with departing colleagues to receive feedback, enabling us to evaluate our performance and make necessary adjustments.

Awards and recognition

To cultivate a culture of appreciation, motivation, and positivity in the workplace, we have a BEA Staff Recognition Scheme with quarterly and annual awards to honour staff who demonstrate outstanding performance and exemplary behaviour aligned with BEA's core values.

Programmes and initiatives



We listen to our employees and respond to their feedback and ideas in ways that can improve their experiences at BEA, as well as our success as a business that is enriched by talent across our markets.

Strategic workforce and succession planning

In 2024, we unveiled a new Group Grading Structure, which will take effect in 2025. This change aligns with our OneBank strategy, aiming to improve workforce management. The standardised grading framework enables benchmarking against the wider market and peer banks, offering increased flexibility for cross-boundary internal mobility within the Group.

Staff experience

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

Focusing on young talent

BEA actively engages with promising young talent beyond the walls of the Bank. BEA Union Investment continues to participate in the Pilot Programme to Enhance Talent Training for the Asset and Wealth Management (AWM) Sector funded by the HKSAR Government. The programme aims to facilitate the long-term sustainable development of Hong Kong's AWM sector. It also promotes the industry with a particular focus on students and graduates by allowing them to better understand the full spectrum of functional posts and career prospects of different sub-sectors within the AWM sector.

We also work closely with universities, inviting students to BEA for career planning discussions, helping young people enhance their workplace readiness and employment competitiveness while exploring their abilities to contribute to our mission. In April, BEA China welcomed teachers and students pursuing a Master of Science degree in ESG Management and Accountancy from Hong Kong's Lingnan University to the BEA Tower in Qianhai, Shenzhen. The graduate students were introduced the Bank's history and the sustainability-focused aspects of our Qianhai facility, as well as our forward-looking business strategies, the Shenzhen Branch's products and services, and **BEAST**.

Employee Survey 2024

With a 99% response rate, our Group-wide annual employee survey revealed that our workforce is positively engaged and ready to drive our shared success. Since 2020, survey results have improved across multiple areas, including wellness, buy-in to our organisational transformation approach, customer focus, and ESG. Notably, more employees than ever support the Group's ESG initiatives and see clear opportunities to contribute, highlighting the powerful opportunity for sustainability to unite our people around a common purpose.



- 91%** believe their division, branch or company can have a clear impact on the Group's ESG performance
- 92%** see progress in the Group's ESG performance, including its community efforts, in recent years
- 91%** believe the Group's ESG efforts can help it achieve its vision of becoming the sustainability leader among financial institutions in Greater China and beyond

In addition, every year, we award university scholarships to dependents of staff members, to recognise outstanding students and encourage continuous learning while supporting the families of our staff and showing our appreciation for their commitment to the Bank.

Staff recognition

Alongside the Bank’s internal staff recognition scheme, our employees also obtain well-earned recognition from outside the Bank. This year, Mr Jimmy Kuok San Hong was named among the top 25 awardees at the 2024 Macau Outstanding Employee Award—Banking Industry. The award, jointly organised by the Labour Affairs Bureau of Macao SAR, the Macau Association of Banks and the Macau Federation of Trade Unions, encourages continual improvement in the service quality and competitiveness among local banking employees.



Outlook



The strategic management of talent will remain critical for the Bank’s future success.

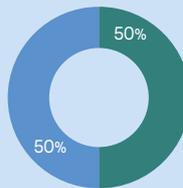
We are committed to strengthening our workforce by implementing targeted talent programmes, actively promoting career opportunities—not only to candidates in Hong Kong, but also in GBA cities—at industry events, job fairs, and universities, and encouraging internal mobility. These efforts aim to unlock the full potential of our people while building a robust and agile talent pool.

2024 Performance

As at the end of December 2024, the Group’s turnover rate for full-time employees, including both voluntary and involuntary leavers, dropped slightly to 15% compared to the rate at the end of 2023. Meanwhile, the number of internal mobility cases for 2024 rose by 5% compared to the previous year, indicating an increasing trend of open positions being filled internally.

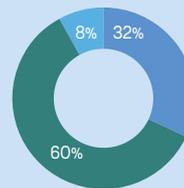
New hires by gender

Male	463
Female	457



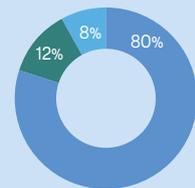
New hires by age group

Under 30	296
Aged 30-50	554
Over 50	70



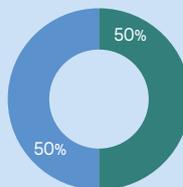
New hires by market

Hong Kong	735
Chinese Mainland	109
Other markets	76



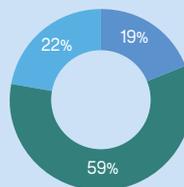
Turnover by gender

Male	586
Female	581



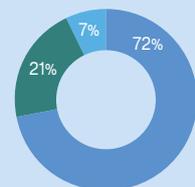
Turnover by age group

Under 30	223
Aged 30-50	686
Over 50	258



Turnover by market

Hong Kong	835
Chinese Mainland	247
Other markets	85



Diversity and Equal Opportunity

[Aspect B1, B4]
[GRI 405, 406]



Why it matters



Workplaces that welcome diverse backgrounds and viewpoints are more conducive to the type of innovation and collaboration that has long made BEA successful. Promoting fairness, equity, opportunity, and respect for social and cultural diversity can empower staff members of any background to realise their full potential and contribute to our shared goals. While BEA ensures a work environment free from unlawful discrimination, harassment, bullying, victimisation or vilification, we strive to go further and make all employees feel valued and welcomed from the moment they join us.

Management approach



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

The Bank's Code of Conduct, Staff Handbook, and Human Rights Policy define our commitment to non-discrimination and equal opportunity, the right to collective

bargaining, and the prohibition of child and forced labour. Aligned with the UN Guiding Principles on Business and Human Rights, the Group's Human Rights Policy applies globally across BEA's operations and business activities. Human rights monitoring and reporting are incorporated into the Bank Culture Dashboard, with any substantiated human rights cases, including those identified through the Group's whistleblowing channel, reported to Senior Management on a quarterly basis.

Our Group Equal Employment Opportunity, Diversity, and Inclusion Policy references the values and principles of the UN Universal Declaration of Human Rights, and the Fundamental Conventions of the International Labour Organization (ILO conventions). Local subsidiaries and branches outside Hong Kong incorporate the principles of the Policy into their Human Resources policies in accordance with local rules and regulations, where applicable and as appropriate.

In accordance with the Group Equal Employment Opportunity, Diversity, and Inclusion Policy, the Bank provides equal employment opportunities in all aspects of its employment relationships for staff members, regardless of age, gender, sexual orientation, physical appearance, language, religion, or beliefs. Staff members are also expected to demonstrate appreciation, care, and respect for each other and our customers. To signify our commitment to diversity, inclusivity, and fairness within the organisation and across the supply chain, we are a longstanding supporter of the Talent-Wise Employment Charter and Inclusive Organisation Recognition Scheme organised by the Labour and Welfare Bureau, the Rehabilitation Advisory Committee, the HKCSS, and the Hong Kong Joint Council for People with Disabilities.

We adopt a consistent merit-based approach to employee remuneration, considering factors such as seniority, role, responsibilities and activities, expertise, competencies, qualifications, working

experience, and job performance. This approach underpins our annual goal-setting exercise and annual staff performance assessment exercise, and helps ensure our remuneration is in line with the Hong Kong Equal Opportunities Commission guidelines on equal pay for men and women under the Sex Discrimination Ordinance.

BEA's SCoC helps maintain social and ethical standards throughout our supply chain. Aligned with international frameworks like the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and ILO conventions, the SCoC requires suppliers to uphold the same social and ethical standards of fairness, diversity, and equal opportunity as the Bank. It emphasises safe and hygienic working conditions, free from discrimination, harassment, or exploitative practices. The SCoC also encourages suppliers to create inclusive practices, support diverse groups, and promote access to their services for individuals with disabilities or other impairments. Additionally, it strictly prohibits child labour, forced labour, and any form of modern slavery. By collaborating with our suppliers, we aim to contribute to a more equitable and supportive business environment for all stakeholders.

Programmes and initiatives



Anti-discrimination awareness

We reinforce anti-discrimination awareness and refresh the knowledge of our staff via content incorporated into our new joiner online learning programme and annual refresher courses. Content is related to the anti-discrimination aspects of our Code of Conduct, the TCF Charter and many of the Bank's other commitments and compliance obligations. We conducted a range of targeted training initiatives across the Group during the reporting period. In the UK, mandatory e-learnings were assigned to all staff in 2024 on various topics, including equity, diversity and inclusion, and two key training sessions

were delivered on "Equity, Diversity, and Inclusion" and "Vulnerable Customers". The New York Branch conducted a mandatory in-person "Harassment Prevention" training in July, which highlighted the importance of understanding "unconscious bias" and "psychological safety." Both of these are crucial issues to be aware of in the recruitment and employment stages. In Los Angeles, all staff attended the "Mutual Respect Enhance Communication & Workplace Sensitivity" training, emphasising principles of anti-discrimination and workplace sensitivity.

Breastfeeding friendly workplace

We strive to provide reasonable accommodation for all employees in our offices, including lactation rooms for nursing mothers. In our two core buildings in Hong Kong, the Head Office and BEA Tower, we provide lactation rooms on different floors for nursing mothers.

Diversity and inclusion initiatives

The Bank strives to cultivate an inclusive workplace environment for its staff. At our Taiwan Branch, we have established a diverse network to uphold the fundamental labour rights of our team members and ensure that their employment rights are respected. We conduct labour-management meetings to facilitate open communication, address significant labour-management issues, and implement actions arising from consensus decisions reached. In 2024, the Taiwan Branch conducted four such meetings.

With the introduction of Taiwan's Marriage Equality Act, employees in same-sex marriages can apply for related benefits and marriage allowances, which the Bank provides with equal support and blessing. In line with evolving social equality legislation, Taiwan Branch actively supports national gender equality policies, promoting inclusivity and advancement.

The Bank also organised various activities throughout the year for staff and other stakeholders that enable them to embrace the spirit of diversity, inclusion and equal opportunity. At BEA Union Investment, a social media campaign was launched in March to support International Women's Day, inspiring and advocating for diversity, equality and inclusion.

In Singapore, we invited masseurs from the Singapore Association of the Visually Handicapped to our offices to help our employees relax on Labour Day. By engaging the service, we are contributing our share towards a more inclusive society, as they can put into practice the acquired skills to remain employable, earn their living, gain self-reliance and independence and live with dignity.

Championing Those with Special Educational Needs (SEN) in Hong Kong

For the third consecutive year, BEA organised the financial literacy and social adaptation programme for children with SEN in partnership with Heep Hong Society. Through this programme, we hope to raise awareness of neurodiversity and promote financial empowerment among wider populations.

Our learning materials and activities have been customised by our trainers to meet the unique needs of SEN children. Over 40 children accompanied by their families participated in an interactive session to learn about basic financial principles and ways to manage money

by distinguishing "needs" and "wants". Guided by our volunteers, children applied their newly acquired knowledge through a practical shopping experience at a mall. The opportunity to practice making purchasing decisions and communication in a supportive environment further equipped children with confidence to navigate social interactions and everyday tasks. As a testament to BEA's commitment to diversity and inclusion, this programme not only contributes to a more inclusive society, but also fosters a culture of empathy, understanding and collaboration among our volunteers.



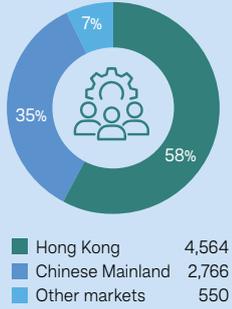
2024 Performance

Outlook

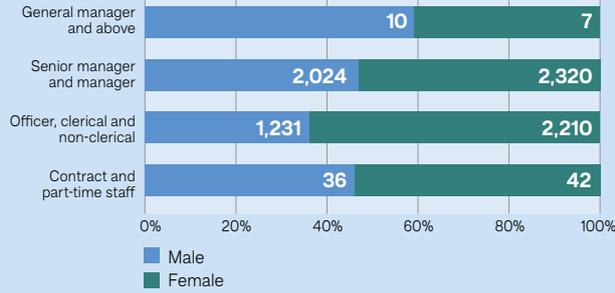


The Bank will continue to provide equal opportunities for all employees in line with our commitments, policies and compliance requirements. Senior Management and the Bank Culture Work Group will assess the importance of key aspects of diversity and inclusion as they apply to our business, and culture-related training will be implemented across different levels in response.

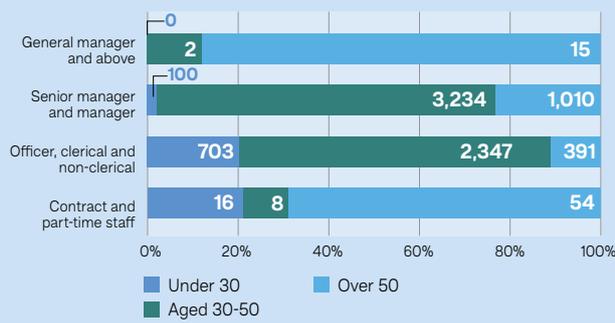
Employees by market



Employees by gender



Employees by age group



Training and Development

[Aspect B3] [GRI 404]



Why it matters



Success within the financial services sector requires highly skilled employees performing consistently within a constantly evolving environment. High-quality, up-to-date training and development opportunities prepare our people for long-term success and support meaningful, fulfilling careers. We offer a wide range of internal, external, and tailored job-specific training, helping to improve employee performance, boost satisfaction, and reduce turnover. We view our training and development efforts as an investment in the shared future of both BEA and our team members.

Training and development are central to maintaining a highly capable workforce. For more information about how we ensure the right people join and stay with BEA, please see the [Talent Attraction and Retention](#) section.

Management approach



Our HRD and Training & Development Department (TDD) work closely with Senior Management and business heads to identify the skills and capabilities necessary to achieve our short and long-term objectives. Guided by the Staff Training and Development Policy, TDD plays a particularly important role in the continuous professional development of our employees.

Professional development

We are committed to the professional development of our staff and invest in a wide range of training programmes covering technical expertise and soft skills. These initiatives ensure compliance with applicable licensing regimes and address the continuous professional training and development needs of our staff. We encourage and support our staff to pursue professional qualifications relevant to their roles as per the HKMA's ECFs. We strive to align our training with relevant industry standards and best practices, and leverage the Hong Kong Qualifications Framework where appropriate. During the reporting period, we updated our Staff Training and Development Policy to, among other things, address the requirements stated in the latest version of the HKMA SPM module CG-6 "Competence and Ethical Behaviour" issued in May. Since 2022, staff participation in key training programmes has become one of the Group's KPIs, reflecting our commitment to continuous learning.

We leverage subject matter experts within the Group to help design and deliver new training programmes, and invite industry experts to share their knowledge and experience with our trainers. Senior Management provides input and guidance for key learning and talent development initiatives. Externally, we collaborate with industry players and peers, professional bodies, educational institutions, and consultants to develop high-quality programmes and innovative training solutions.

We also support employees in their professional development beyond the Bank. Full-time staff members may be nominated and sponsored by the Bank to attend external training courses, pursue higher academic qualifications, or obtain job-relevant professional qualifications that align with their training needs and job roles. This includes encouraging and sponsoring Group Management Trainees (GMTs) to attain the Certified Banker qualification and offering subsidies for RPs pursuing ECF certification. We also provide ongoing training to fulfil Continuing Professional Development requirements for licensed staff and certified RPs, covering topics such as ESG, fintech, cybersecurity, and more.

To keep training relevant, we actively engage internal and external stakeholders to assess needs considering the changing market landscape. We value employee feedback gathered through course-end evaluations, which are shared with trainers, supervisors, and the TDD department head, and then carefully reviewed to enhance the training experience. An annual training needs survey is distributed to all departments, and TDD conducts in-depth discussions with relevant parties to tailor training to specific requirements and ensure the courses we offer will contribute to the professional growth of our people.

Performance management

Our Performance Management Guidelines and Procedures provide a framework for aligning performance goals with the Bank's strategy, cascading goals from higher levels to individuals, integrating core values into performance metrics, and balancing financial and non-financial objectives. We prioritise constructive feedback, career discussions, and timely guidance for performance improvements.

Every year, all staff members must complete a year-end performance review to evaluate their performance against goals, including those related to ESG initiatives, set at the beginning of the year, along with adherence to BEA's core values, and compliance with risk and regulatory requirements. Performance outcomes are connected to compensation plans (e.g., discretionary bonuses) for all managerial staff and above. During performance reviews, BEA employees and management discuss career aspirations and establish development plans with specific training goals, as needed. Staff reporting directly to a division head also participate in an annual peer evaluation, assessing peers' adherence to the Bank's core values through observable daily actions and interactions. Our Guidelines for Peer Evaluation outline the procedures for implementing the peer evaluation mechanism, while "360 feedback" enables all staff to provide feedback to multiple colleagues, including managers.

Programmes and initiatives



BEA maintains a wealth of training and development programmes relevant to all staff members.

Content covers everything from product and financial knowledge, risk management in areas like cybersecurity, AML, terrorist financing risks, and leadership and management skills to customer service and sales, operational know-how and more. In addition to relevant topic-specific training, all staff must complete mandatory training on topics such as our Code of Conduct and the Bank's core values, as well as non-discriminatory practices. We also help individuals grow through functional trainee programmes and a Group Management Trainee Programme, which nurture young talent and support their career development within the Bank. We continued to offer a wide range of online and in-person training courses and development programmes

tailored to the needs of our staff members throughout the reporting period.

Capacity-building programmes

The Bank is committed to cultivating a future-proof workforce by strengthening staff competence. This commitment is realised through structured training frameworks and enhanced development support, enabling upskilling and reskilling across key areas. These areas include leveraging technological and data advancements, navigating the evolving landscape of ESG factors and capitalising on opportunities presented by cross-boundary business expansion.

Developing future leadership potential Trainee programmes

BEA invests in future leaders through internal training programmes for GMTs, Wholesale Banking Trainees, Relationship

Manager Trainees, Retail Banking Associates and Audit Trainees, as well as providing Gap Year Placements for undergraduates or postgraduates. We also participate in programmes that provide structured training and on-the-job experience in financial services for recent graduates and students. In 2024, this included the:

- AiPEX@HKU Internship Programme;
- Apprenticeship Programme for Private Wealth Management, Hong Kong;
- Bank-wide Summer Internship at BEA Hong Kong;
- BEAccelerator Next Generation Programme;
- Corporate Summer Internship in the Chinese Mainland;
- Fintech Career Accelerator Scheme; and
- Two-day "Banking Experience" activity for high school students.

Nurturing Group-wide ESG Capacities

In 2024, we launched a mandatory ESG training programme for all Group staff, including Senior Management and Board-level ESG Committee members. The programme contains modules on sustainability, climate change, and climate risk management, thoroughly covering topics closely related to our businesses that all levels of staff need to be aware of. See the [ESG Highlights](#) section for more information about this initiative.

In the Chinese Mainland, the ESG Learning Programme officially launched in November, which was developed with reference to the ECF on Green and Sustainable Finance introduced by the HKMA, and a digital library was made available for all colleagues to engage in self-directed ESG-related learning. We also invited colleagues to contribute to the development of our strategy and learn from each other during our 2024 ESG Innovation Workshop in Shanghai. This year's workshop brought together 35 colleagues

from BEA China to share innovative and actionable ideas to help the Bank achieve its sustainability goals. Teams from across divisions presented proposals on ESG topics, ranging from GSF and financial literacy to responsible products and services, and talent attraction and retention. Winning ideas have the opportunity to be further developed and implemented with management approval in the coming years.



Following the OneBank approach, BEA transformed its Management Trainee (MT) Programme in 2023 into a GMT Programme, which now comprises a five-month, on-the-job rotation in the Chinese Mainland. In 2024, 30 GMTs and MT graduates joined a one-day tour in Qianhai, Shenzhen, gaining first-hand insights into the region's burgeoning business landscape, and exploring BEA's strategic development in the GBA. They also visited the WeBank exhibition space and received a comprehensive presentation on its technology and digital finance solutions. In 2025, the programme will be further enhanced to include overseas branch visits.

Leadership development

Growing internal talent remains a priority for BEA, which we address with dedicated programmes to develop our leaders. For instance, the Future Leader Accelerated Programme (FLAP) is a two-year talent programme to identify and develop high-potential employees for senior management and department head positions within the Bank. The programme provides a series of training workshops, leadership assessments, executive mentorship, Co-CE meetings and on-the-job learning to participants, elevating their preparedness for expanded leadership responsibilities. In 2024, we continued to run the FLAP with a new cohort of 14 executives to sustain a diversified leadership pipeline for the Bank.

To enhance training support for staff at overseas branches and address demand for leadership and management training for English-speaking individuals, we launched the NEXLeaders Micro-learning Programmes from May to November. Conducted entirely in English, the programmes targeted three groups—people managers, individual contributors (manager grade or above), and officers or below—with tailored group-specific sessions alongside two common programmes, "How to Think Ahead to Prepare for the Future" and "How to Think Across to Innovate and Collaborate". Group-

specific programmes included "Leadership in Crisis Management", "Understanding Self-Leadership", and "Overcoming Barriers in Business Communication". To encourage participation and application of the learning material, a branch-based team competition was introduced, contributing to an impressive 96% overall completion rate.



We are also instilling communication and other soft skills needed for leadership success in teams throughout our business. In the US, we launched the Mentorship Programme 2024 to promote team bonding and two-way communication among colleagues in our New York and Los Angeles branches. By connecting staff with more senior colleagues, mentees are able to gain broad exposure to different management approaches, and accumulate different skills and knowledge for further professional and personal development. Almost a quarter of FTEs in the New York and Los Angeles branches participated. This programme fosters cross-departmental collaboration, dismantles silos, and promotes a culture of continuous learning. As a result, the Bank has successfully bridged generational gaps among employees, tackled talent shortages, and facilitated knowledge sharing, thereby enhancing its organisational capabilities, adaptability, and competitive edge in the financial sector.

In the UK, 136 staff members attended training on giving and receiving feedback, while all people managers received training on influencing and stakeholder management skills.

Tech and Data

In an environment marked by rapid changes in AI and other technologies, the Bank continues to invest in training related to our digitalisation efforts. Recognising the rapid advancements in AI, we delivered an "Executive Training Series: AI Inside Out" for staff at the department head level and above, and introduced "Fintech 201: AI and Generative AI – Opportunities & Limitations in the Banking Industry", a new micro-learning programme to deepen staff knowledge of these emerging technologies. In addition, we organised a Cybersecurity Forum for our staff, aiming to provide insights into cybersecurity in the financial services sector, focusing particularly on the current threat landscape and effective strategies.



BEA China's Digital Trainee Programme, launched in 2023, selects outstanding university graduates to undergo rigorous development with the Bank and become experts in digital financial technology. The programme covers both training and practical application of business use cases, such as automating credit reporting, implementing advanced cash management solutions, and smart detection of cross-boundary business blacklists, among others. It is the first such programme among foreign banks in the Chinese Mainland. The first round of training was completed in 2024, with a graduation ceremony held in November in Shenzhen. Trainees will begin their roles in various business departments as digital specialists in early 2025.

GBA Learning Accelerator

With a long history of operations in both Hong Kong and the Chinese Mainland, BEA remains well positioned to develop our cross-boundary business as the GBA economy continues to grow. Our ambitious goals, however, require our people to fully appreciate the changing nuances and complexities of this thriving region. The GBA Learning Accelerator aims to prepare our teams for success in several areas:

- GBA Theme-based Training aims to raise awareness among all employees regarding the GBA and our cross-boundary business.
- GBA Specialist Training focuses on specific knowledge and skills customised for targeted staff groups.
- GBA Elite Training offers exclusive learning opportunities for a priority group of staff who have completed GBA Specialist Training.

Through these programmes, the GBA Learning Accelerator equips staff in both general and specialised roles to enhance their GBA know-how. This enables the Bank to identify and capitalise on the growing business opportunities in the GBA market, thereby enhancing its capacity to innovate and boost growth and competitiveness.

"The GBA Elite Training Programme effectively demonstrated the overarching principles of the OneBank strategy, enhancing collaboration between Chinese Mainland and Hong Kong colleagues while deepening our understanding of each other's cultural and policy contexts. I particularly valued the mentorship and close interaction with management, which provided insights into policy-making backgrounds and directly improved my professional perspective."

Julia Yan Jing
Assistant General Manager, Guangzhou Branch



During the reporting period:

5,000+
participants



attended various theme-based training programmes

290+
participants

(90% of targeted participants) completed GBA Specialist Training

20
participants

(100% of targeted participants) completed GBA Elite Training

Enhanced Design Thinking Mindset and Application Programme

BEA's commitment to fostering a culture of innovation and customer-centricity continued in 2024 with an expanded design thinking training programme and the launch of a practical application initiative. In Hong Kong, more than 2,300 employees (about 65% of the FTEs) completed a design

thinking workshop, surpassing initial targets. This included specialised training for all levels of staff, from senior management to general staff.

The newly launched "Design Thinking Application Programme" provided a platform for employees to apply their skills to real-

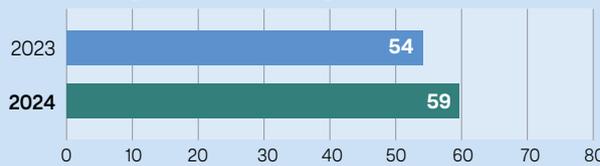
world business challenges. This integrated approach—foundational training combined with practical application—cultivates a design thinking mindset across the organisation, enhancing problem solving, driving innovation, and improving customer centricity.

2024 Performance

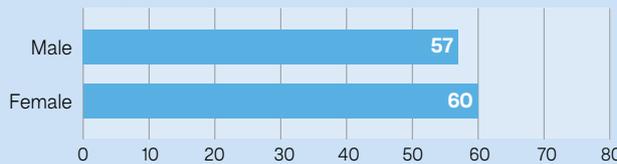


HK\$ 11.5+ million invested in training and development

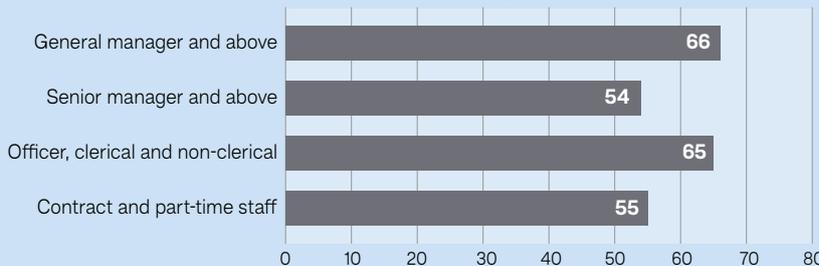
Average hours of training



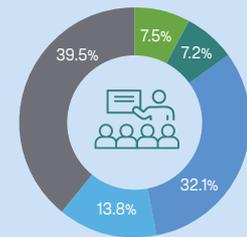
By gender



By employment category



Training hours by categories



ESG
Management Training and Development
Tech & Data
Risk Management, Compliance/Legal Knowledge
Others

Note: Percentages may not total 100 due to rounding.



100% of employees received regular performance and career development review²³

Outlook



We will step up the scale and pace of our upskilling efforts across training categories, including Tech and Data, ESG, and our GBA cross-boundary business, enhancing offerings for general and specialised roles. A new leadership and management training curriculum, along with new management training programmes, will also be developed to further strengthen

leadership capabilities among our team members. We will continue to grow the Bank's talent pool and succession pipeline by developing high-potential employees and promising graduates, while encouraging our staff to pursue continuous learning and development, and subsidising their efforts with a focus on qualifications under the HKMA's ECF.

²³ Staff who have completed probation on or before 30 September are in the scope of the performance review. In 2024, 7,430 staff of the Group received performance reviews.

Health, Safety, and Wellbeing

[Aspect B2] [GRI 403]



Why it matters



Employees who are healthy, safe, and happy are more productive and engaged at work, which in turn improves the delivery of our products and services and makes BEA more successful. While our office-based work environment presents a relatively low physical risk, we actively work to minimise hazards and prevent incidents that could lead to loss of work days, business opportunities, or reputation.

Management approach



Occupational health and safety

General managers are responsible for the overall implementation of the Bank's health and safety policies, while Health and Safety Officers and department heads ensure that safe and healthy working conditions are maintained. All branches are obliged to comply with local health and safety laws and regulations. Our [Occupational Health and Safety \(OHS\) Policy](#) applies to all staff members across the Group. Where differences in local OHS rules and regulations apply, however, Macau, Taiwan and overseas branches will follow local requirements.

To strengthen our OHS management and governance practices, we initiated a review of our Group OHS Policy and OHS Manual in 2024. We completed the update of our OHS Policy during the reporting period, which now has been approved and endorsed by management. The policy specifies expectations for adhering to our OHS principles, relevant legislation and the ISO 45001:2018 Occupational Health and Safety

Management Systems standard. It also outlines the OHS commitments of the Bank, both internally and externally, and applies across the Group. The revamp of the OHS Manual is in progress.

Our goal is to maintain a "zero accident and injury" workplace. To achieve this, we prioritise safety and conduct regular OHS inspections. This includes identifying and closely monitoring potential safety issues to reduce the risk of accidents and eliminate unsafe working conditions, while maintaining open lines of communication with employees to address concerns promptly. When hazardous conditions are identified or accidents or injuries are reported, we perform detailed analyses and develop action plans to address the issues with appropriate remedial measures and preventive actions. Reported work injury cases are tracked in monthly Operational Risk Management System reports. Our branches in the UK undergo an independent annual health and safety assessment, conducted by independent third-party consultants.

At our Taiwan Branch, we have implemented Safety and Health Work Rules in accordance with the Taiwan Occupational Safety and Health Act, which have been approved by the Labour Inspection Office of the Taipei City Government. These guidelines cover workplace health management measures, first aid and rescue training, mitigation of physical or mental harm, and prevention of musculoskeletal disorder caused by repetitive movement. An Employee Caring and Recognition Group meets periodically to address staff members' concerns and provide suggestions.

Outside of our operations, our SCoC, Human Rights Policy, and other policies and processes embed OHS and wellbeing into our procurement and contractual requirements, obligating BEA's suppliers to provide safe and hygienic working environments, comply with applicable laws regarding working hours and more. For more information about how we drive social responsibility in our supply chain, please see the [Responsible Supply Chain Management](#) section.

Employee wellbeing

Within HRD, our Culture & Staff Engagement Section is tasked with promoting staff wellbeing initiatives, and acts as the Secretariat Office of Staff Sports & Recreation Club (SSRC). With an eye towards continuously improving wellbeing and the employee experience, we conduct an annual Employee Survey that tracks metrics related to workplace wellbeing, such as work-life balance, and we strive to incorporate feedback in our approach to human capital management. We also carry out surveys regularly to gather employees' feedback on recreational activities, ensuring that they align with their interests and needs.

Other benefits to enhance wellbeing include early release arrangements for festivals, which was extended to cover all major festivals in 2021. An "Employee Assistance Programme" is also available to staff members and their family members who find themselves in need of emotional and mental support. Professional counsellors can be reached via a 24/7 telephone hotline, in-person sessions, or by email. For more information about our comprehensive benefits, please see the [Talent Attraction and Retention](#) section.

Programmes and initiatives



BEA is committed to creating working environments where employees can thrive—not only protected from harm, but empowered to be their best selves.

Occupational health and safety

We incorporate OHS considerations into workplace design, creating a healthy and safe environment that reduces the risk of workplace injuries and illnesses. In 2024, we installed air purifiers for every floor in the BEA Building in Singapore, covering each department, as well as tenanted floors. We also addressed ergonomics in workstation design and office furniture selection for new renovation projects.

Regular workplace health and safety training reinforces a culture of safety across the Group. Topics covered during the reporting period included fire safety, display screen equipment risk assessment, manual handling operations risk assessment, first aid, among others.

Employee wellbeing

We believe in a holistic approach to supporting employees' health and wellbeing. We provide resilience training to our GMTs and have invited registered organisational psychologists to develop a targeted resilience programme for our high-potential employees, supporting them in maintaining personal wellbeing and effective performance at work.

Employees in Hong Kong can access healthy lunch options in staff canteens and enjoy free access to recreational facilities, such as a staff gym and rooftop garden. SSRC managed by HRD organises wellness and staff recreational activities including yoga classes, wellness talks, and urban farming workshops. In 2024, we organised the BEA Divisional Cup, a sports competition featuring a diverse array of events. Traditional sports like badminton, bowling, and soccer were included, alongside non-traditional sports such as eSports and Mahjong. Throughout the year, events were organised to encourage both individual participation and team involvement.

Across the Group, we enrich the employee experience and create a positive work environment through team volunteering and charitable activities aligned with our core values and employee value proposition. For more information about these efforts, please see the [Community Partnerships and Volunteering](#) section.



2024 Performance



Outlook

Going forward, we will continue to incorporate health, safety, and workplace wellness considerations in new renovation projects, actively identify workplace hazards and implement appropriate health, safety, and preventive measures for providing our staff with best-in-class workplaces that prioritise wellbeing.

Operational Emissions Reduction

[Aspect A1]
[GRI 302, 305]
[IFRS S2]



Why it matters

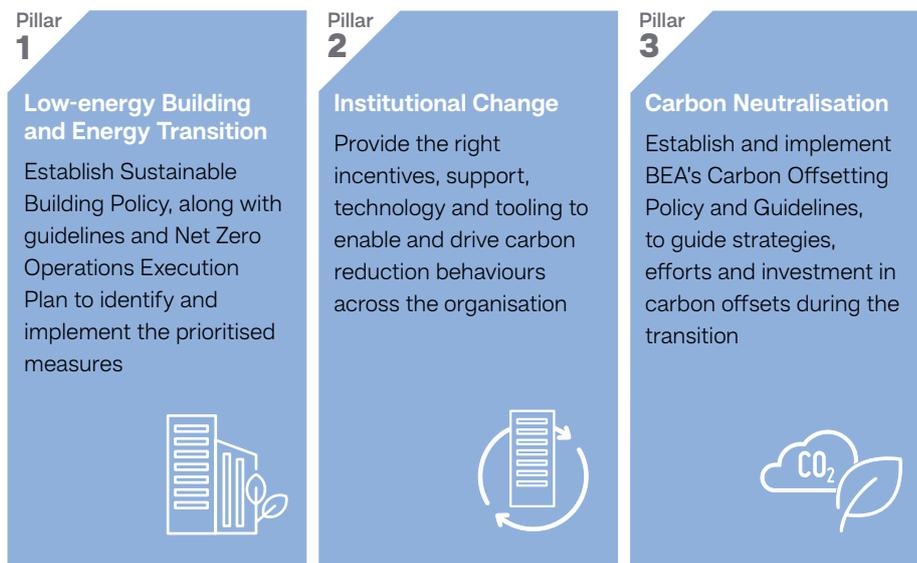
While most of BEA's climate impacts occur within our portfolio, the Bank recognises its responsibility to support global efforts to mitigate climate change through emission reductions in our operations. Operational emissions, alongside portfolio emissions, are a critical part of our reduction goals as we work to drive climate action across our markets.

This section details our overall approach to carbon emissions reduction within our operations. For more information about how we are managing electricity consumption, which is the primary contributor to our operational emissions footprint, please see the [Sustainable Resource Use](#) section.

Management approach

Our SUD oversees operational emissions management in partnership with FMD, and explores opportunities to reduce emissions across the Group to fulfil our 2030 net zero operational emissions goal and support local and national commitments to achieving long-term net zero by mid-century. A Bank-wide decarbonisation strategy provides a framework and clear directions to staff working to attain our goals, and yearly targets are established for different business units, encouraging them to actively participate in our net zero journey. Strategic pillars guide the planning and implementation of these initiatives. Progress, including operational carbon reduction figures and proposed emissions reduction initiatives, is regularly reviewed by the ESG Steering Committee and approved by the Board ESG Committee.

BEA's Scope 1 and 2 Net Zero Roadmap

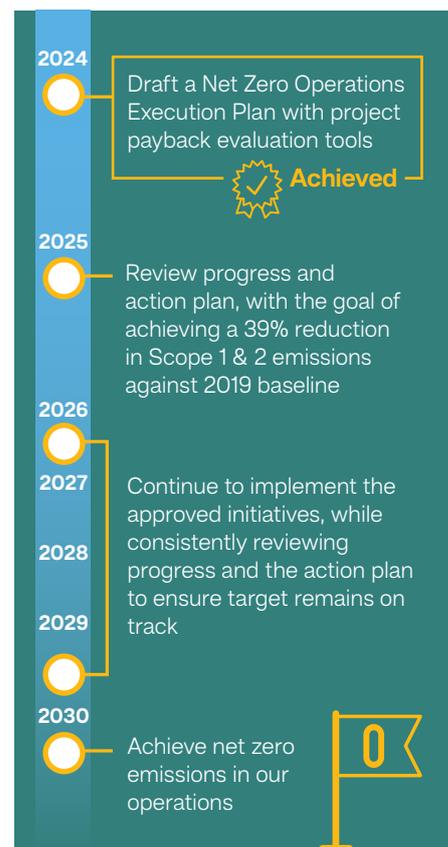


We maintain a Group-wide [Sustainable Building Policy](#), along with guidelines and deployment plans, to mitigate environmental impacts across our premises focusing on six key areas: carbon reduction, energy efficiency, water conservation, waste management, green transportation, and green building certifications. These priorities echo the HKSAR Government's Climate Action Plan 2050 and the Chinese Mainland's dual carbon targets. The Policy outlines our commitments to these topics and strategies to achieve net zero operational emissions through the effective implementation of best practices in leasing, design, construction, renovation, and operation of Bank-controlled premises.

Following the deployment of a cloud-based environmental data platform at the end of 2023, we have begun regularly tracking our emissions performance, with quarterly updates to the ESG Work Group and ESG Steering Committee. To ensure transparency and to keep stakeholders informed of our emissions management, we annually analyse and disclose emissions data in our ESG Report. This information is also shared with organisations like the Carbon Disclosure Project and the Carbon Footprint Repository for Listed Companies in Hong Kong.

Programmes and initiatives

Our efforts to reduce Scope 1 and 2 emissions in line with our 2030 target include the following interim plans and goals:



Given the importance of Scope 2 emissions to our operational carbon footprint, understanding our energy consumption is critical. In 2024, energy audits and desktop surveys conducted for our 20 most energy-intensive premises across our markets informed our carbon reduction investments, renewable energy procurement, and offsetting strategy.

We prioritise carbon reduction opportunities such as optimising building operations (e.g., workplace restacking and shortening the building services equipment operating schedule), upgrading building services equipment, electrification, and implementing on-site renewable energy systems. We also incorporate carbon reduction considerations into the lifecycle replacement of building

elements. We will also explore renewable energy procurement, subject to market availability, and the use of renewable energy certificates (RECs) for Scope 2 emissions and carbon credits for residual Scope 1 emissions.

Renewable energy capacity at our premises continues to increase. We completed the installation of flexible, space-efficient solar PV panels on the roof of the Head Office, which can generate approximately 16,000 kWh of electricity each year. Together with solar PV panels at 33 Des Voeux Road Central, BEA Tower in Kwun Tong, and the Zhangjiang Data Center in Shanghai, the Group is expected to generate approximately 136,000 kWh of renewable energy annually from these installations.

The Group supports the use of electric vehicles within our own fleet and among our workforce. In the Chinese Mainland, the Bank's vehicle fleet decreased from 99 vehicles in January to 89 vehicles currently, a reduction of 10%, with new energy vehicles now accounting for 8% of the total fleet. To encourage the use of electric vehicles among employees and visitors, we have initiated the installation of electric vehicle chargers across markets. Currently, our Head Office in Hong Kong, BEA China's headquarters, and 11 branches in the Chinese Mainland have already completed the installation of these chargers at their office buildings. Our London Branch is also exploring the installation of charging stations for electric vehicles.

2024 Performance

Scope 1 and 2 GHG Emissions (tCO₂e)



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

The Group's operational emissions reduction for 2024 was approximately 6% yoy, which is attributable to the commissioning of a new efficient chiller plant at BEA Tower in Hong Kong and actively switching to renewable energy at its operations in Shanghai, London, and Los Angeles.

Outlook



Going forward, we will align our operational emissions reduction efforts with the

Net Zero Operations Execution Plan. Key decarbonisation work includes workplace restacking, optimising building operation schedules, replacing and optimising chillers, installing solar panels and solar films, retrofitting building service systems, and BMS upgrades. We will also continue to explore emerging technologies to further ramp up our decarbonisation efforts in our building portfolio and drive a climate-conscious culture across the Group. Additionally, we are developing a renewable energy investment plan that outlines specific strategies and timelines for transitioning to cleaner energy sources across the Group.

Sustainable Resource Use

[Aspect A1, A2, A3]
[GRI 302, 303, 306]
[IFRS S2]



Why it matters



Resource use and waste management are pressing issues, given their significant impact on nature. While BEA is primarily an office-based business, our operations consume significant amounts of electricity, water and paper, and generate related waste, including food waste from our staff canteens. Managing our resource consumption and waste is, therefore, an opportunity to reduce costs and improve efficiencies while minimising our impact on the environment.

Importantly, strong performance in resource use and waste management can help reduce operational GHG emissions. For more information about our approach to climate change mitigation within our business, please see the [Operational Emissions Reduction](#) section.

Management approach



Our [Environmental Policy](#), applicable across all our operations, guides continuous improvement in our environmental management practices. Covering water, energy and paper use, recycling, and waste reduction, it has been developed with reference to the United Nation's Environment Programme Finance Initiative Statement by Financial Institutions on Sustainable Development. Our Board of Directors is responsible for reviewing and approving the Policy annually. Regular updates ensure that the Bank complies with

all relevant laws and regulations, including environmental protection legislation, in all locations where we operate.

BEA is committed to reducing the environmental impact of our business wherever possible. Our [Sustainable Building Policy](#) outlines our approach to embedding sustainability into the design, construction, renovation, operation, and leasing of our premises. Meanwhile, our Sustainable Building Guideline offer specific requirements to put this policy into action.

Concurrently, we encourage environmentally responsible behaviour in daily operations, with a focus on limiting paper consumption. We leverage digitalisation to transition towards efficient, paperless systems for employees, customers, and other stakeholders. Reducing paper use associated with our operations reduces the environmental impact from production, distribution, and waste handling, as well as emissions generated through these processes.

We also regularly assess our water, energy consumption and waste generation, and make necessary investments to manage our environmental footprint.

Programmes and initiatives



Energy

Energy efficiency and the reduction of consumption remain key priorities for the Bank. We continue to support the Charter on External Lighting in Hong Kong by switching off external lighting at selected branches before 11 p.m. Our main offices in Hong Kong are also subject to periodic energy audits to evaluate efficiency. In the Chinese Mainland, we manage air conditioning to promote energy efficiency, and the use of small household appliances is banned from office areas. A lunchtime lights-off plan has also been established, and the BEA Finance Tower automatically switches off its lights in the evening.

In 2024, we completed Phase Three of the chiller replacement project at BEA Tower in Hong Kong, and a new air-cooled chiller and water-cooled chiller are now operating. When all phases of the project are complete, the chiller plant is projected to achieve an approximately 40% improvement in efficiency compared to a 2019 baseline. We also implemented a range of practices in line with our Sustainable Building Guidelines for renovation projects whenever applicable. For example, we adopted automatic lighting control systems by installing either occupancy sensors or automatic ON/OFF processes in our Building Management Systems (BMS).



In Singapore, the Branch is replacing lifts with energy-efficient models. Our London Branch completed the replacement of existing, inefficient lighting fixtures with LEDs in May, resulting in savings of more than 50,000 kWh per year.

We are also committed to educating our teams about the importance of energy efficiency and strategies to improve our performance. To enhance their understanding, in July, colleagues from various divisions visited the Jao Tsung-I Academy, a century-old heritage compound in Kowloon, to observe and study energy-efficient measures adopted at the complex.



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

BEA Tower Kwun Tong, Hong Kong	HK-BEAM for New Office Designs (Version 1/96R): Excellent
33 Des Voeux Road Central Central, Hong Kong	HK-BEAM for New Buildings (Version 4/04): Gold Standard
BEA Finance Tower BEA China Headquarters/Shanghai Branch	LEED Gold
BEA Tower BEA China Beijing Branch	LEED Gold
The Bank of East Asia Building BEA China Shanghai Puxi Sub-Branch	LEED Gold
BEA Tower Qianhai, Shenzhen	<ul style="list-style-type: none"> China Green Building Design Label certified with 3-star LEED Platinum WELL GOLD

Paper

The Bank’s digital transformation is driving reductions in unnecessary paper consumption throughout our business. E-account opening and processing platforms facilitate paperless transactions, enabling customers to complete account opening, processing, and investment order placements entirely online.

In 2024, we converted more than half of our paper-based forms to a new eForm platform, enabling customers to complete forms with greater ease and efficiency. Alongside the eForm platform, we introduced an eSignature solution specifically for corporate banking. This digital alternative to traditional wet signatures leverages digital authentication and verification for electronic signing, eliminating the need for physical signatures and manual delivery. This approach effectively reduces paper usage and reduces our environmental footprint.

As a result, we have reduced paper orders for our Hong Kong operations by nearly 80% compared to a 2020 baseline. Additionally, new printers installed in BEA Union Investment’s office in August have reduced paper usage for black and white printing by around 9% compared with 2023.

We launched digital business cards in early 2024, and have encouraged all staff members to shift from printed business cards to the new digital format. As of the end of the reporting period, we had over 1,500 digital business card users in our Hong Kong operations and printed business card orders dropped by nearly 70%, compared with 2023. When printed materials are used, we purchase FSC-certified paper for name cards, letterhead and certain envelopes and forms.

Water

The practices we adopted in 2024 for renovation projects, in line with our Sustainable Building Guidelines, include efforts to reduce water consumption. We now prioritise the use of water taps, shower heads, and other fixtures with the Grade 1 Water Efficiency Label under the Water Efficiency Labelling Scheme.

Waste

Minimising waste

We are taking steps to reduce consumption, and corresponding waste, in our offices with a focus on plastic. The Bank has discontinued the provision of SUP items in all staff canteens and banquet rooms in Hong Kong in view of regulation prohibiting the sale and free distribution of regulated disposable plastic products. Similarly, we have stopped procuring SUP wares in Singapore.



We are also mindful of waste associated with our investment properties. In 2024, we continued to waive the requirement to reinstate premises to bare-shell condition for our selected tenants of our investment properties before surrendering the premises to us to reduce waste. This enables the properties to be leased out to new tenants with original fittings and fixtures intact, avoiding a significant amount of construction waste from demolition and renovation.

Recycling

Food waste generated from meal preparation and consumption at our canteen in BEA Tower, Hong Kong, is collected and delivered to nearby food waste decomposers. The waste is then converted into liquid and discharged into the sewage system, in compliance with regulatory requirements, diverting it from landfills. Since May, we expanded this initiative to include food waste from meal preparation at our Head Office in Hong Kong. We also continued to support recycling programmes for a variety of items during festive seasons, including mooncake tins, laisee packets, and more.

Engaging with External Stakeholders to Drive Recycling

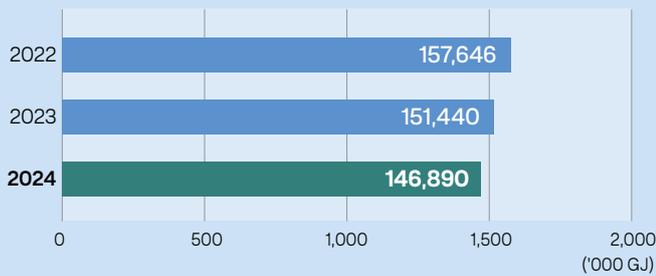
The recycling process involves stakeholders throughout our value chain, and it is imperative that we engage with them to achieve our goals. In 2024, we visited HKBRC, the sole waste lead-acid battery (WLAB) recycling factory in Hong Kong, to explore the feasibility of systematic recycling of our batteries. Subsequently, we have partnered with HKBRC to recycle WLAB from building services panels and Uninterruptible Power Supply (UPS) in data centres, and plan to kick start our recycling initiative in 2025. More than 27,000kg

of WLAB (or 9,000kg per year) will be recycled in total, equal to 1.4% of the Group's annual waste generation.

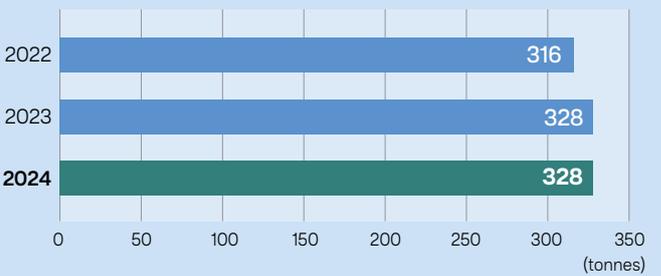
Recognising the importance of dialogue with government agencies, we invited a representative from the Macao Environmental Protection Bureau in September to conduct a talk at our Macao Branch, provide professional tips, and describe the correct way to recycle in our daily lives.

2024 Performance

 Total energy consumption (GJ)



 Waste diverted from landfill (tonnes)



Outlook



We will continue to seek out opportunities to limit the Bank's impact on our environment.

In 2025, we will review and adjust the operational schedule of the HVAC system, lighting system and lifts of office buildings to maximise energy utilisation. We will also review and optimise the temperature set-point of the computer room air conditioning (CRAC) in data centres, as well as the water supply temperature of our HVAC system.

In early 2025, we will begin the chiller replacement project at our Head Office, prioritising energy-efficient options such as oil-free chillers and upgrading cooling capacity. Phase Four of the chiller replacement project at BEA Tower in Hong Kong is schedule for completion in 2028. In the future, when building services systems for other key office buildings reach the end

of their lifecycles, we will also consider adopting emerging technologies, such as AI and machine-learning-enabled control systems, to enhance system efficiency.

We will also explore new waste recycling streams and the feasibility of expanding food waste recycling to post-meal food waste at our Head Office in Hong Kong.

Responsible Supply Chain Management

[Aspect A3, B4, B5]
[GRI 2-25, 308, 414]



Why it matters



As an institution of BEA's size and influence, we have the power to create positive impacts on the economy, environment, and people well beyond our four walls. We view our procurement decisions as strategic tools

to advance sustainability across the value chain, starting with responsible supplier selection and engagement. Our policies and processes are designed to minimise any negative impacts and safeguard the Bank's reputation against potential risks or abuses in our supply chains.

Management approach



In 2024, the Bank established a new Centralised Procurement Section (CPRO) under OPMD to provide centralised procurement services for the acquisition of core goods and services, and oversight of the management of ESG matters within the Group's supply chains. It develops policies, provides guidance on supply chain risk management, and monitors our suppliers.

This centralised approach enables seamless integration of supply chain monitoring into daily operations, including tracking supplier acknowledgement of the Group's SCoC, and supplier ESG risk assessments.

All procurement activities in Hong Kong, including those undertaken by the CPRO section, are now guided by Centralised Procurement Policies & Procedures (CPPP), while other members of the Group develop their own guidelines with reference to the principles of the CPPP and in accordance with local business practices and regulatory requirements. Among other things, the CPPP sets out a clear sustainable procurement workflow to manage ESG risks in our supply chain, which incorporates various policies with different objectives:

1

Defining Sustainable Procurement

The Group's Sustainable Procurement Policy reflects BEA's commitment to integrating sustainability into procurement, planning, operations, and supply chain management. Internal guidelines further define responsible procurement practices. Teams can refer to these documents when setting specifications for sustainable products and services, selecting suppliers based on ESG factors, purchasing locally, and promoting open competition and fair dealing.



2

Setting ESG Standards for Suppliers

All our suppliers must adhere to our SCoC that sets expectations for compliance with all relevant legislation, social and ethical standards, environmental responsibility, and suppliers' impacts on local communities. This helps ensure that procurement and tendering processes are conducted with due diligence, integrity, and impartiality. Only under exceptional circumstances would we do business with suppliers that refuse to confirm compliance with the SCoC. Other branches, such as those in the UK, have further localised and implemented the policies and guidelines to evaluate and monitor supplier performance.



3

Prioritising Human Rights

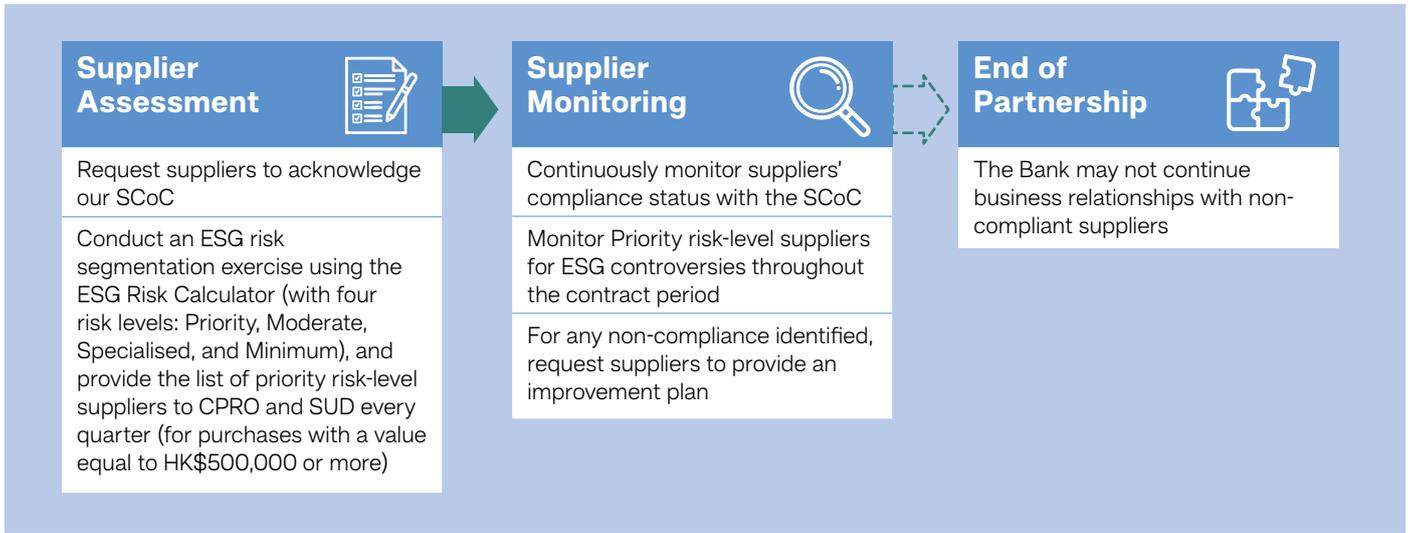
Suppliers are expected to meet standards outlined in our Human Rights Policy, covering areas such as health and safety, minimum wage, working hours, non-discrimination, harassment, and grievance mechanisms. All forms of slavery and human trafficking are strictly prohibited within BEA's supply chain. In accordance with the UK's Modern Slavery Act 2015, our Slavery and Human Trafficking Statement is available on our website.

If suppliers have not made commitments equivalent to our SCoC and Human Rights Policy, or otherwise do not meet our requirements, BEA is committed to providing a fair level of support to assist them in enhancing their practices and to better align with our standards. Our aim is to foster a culture of continuous improvement and responsible behaviour across our supply chain.

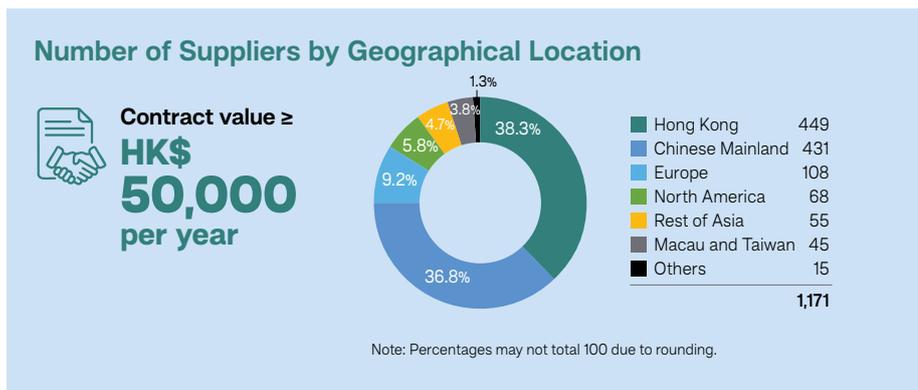


Our Sustainable Procurement Toolkit equips staff with the relevant resources, guidelines, workflow procedures, and refresher training materials to conduct adequate supply chain due diligence and aid the implementation of our responsible procurement procedures.

Key Supplier ESG Assessment Activities Stipulated in the Policies and Guidelines



2024 Performance



Outlook



BEA will continue to collaborate with suppliers who share our commitment to responsible business practices, and review supplier management procedures annually. We will also conduct a feasibility study and develop sustainability specifications for selected products/services related to facility management to enhance our sustainable procurement practices.

Responsible Citizen

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



Community Partnership & Volunteering

[Aspect B8]
[GRI 203, 413]



Management approach



BEA strives to create positive and lasting impacts through community projects centred on the Bank's three focus areas of education, social welfare, and the environment. Our strong community relationships enable us to maximise the complementary resources, knowledge, and skills of our partners to serve under-resourced groups and promote the wellbeing and advancement of society.

Our Sustainability Policy and internal Community Investment Guidelines set out the Group's strategy and objectives with regard to social contributions. The Community Investment Guidelines help ensure that projects and local partners supported by both the Bank and its charitable arm, the BEA Foundation, align with our Sustainability Policy. These guidelines help us identify and prioritise programmes aligned with our approach and effectively address community needs.

Why it matters



Incorporated in Hong Kong in 1918, BEA has been an integral part of the economic, social, and cultural fabric of the communities we serve. As a responsible corporate citizen, we have a part to play in addressing shared challenges such as income inequality and ageing populations. Through charitable partnerships and a culture of giving, we offer employees numerous opportunities to support meaningful social and environmental causes that are important to them, fostering positive impacts and strengthening lasting connections between BEA and the communities we call home.

We provide support in four main ways:

1

Community Giving

Providing registered charities and NGOs with financial and in-kind donations from Group members and our three charitable foundations:

1. BEA Foundation in Hong Kong
2. the Shanghai Soong Ching Ling – BEA Charity Fund, and
3. Shanghai Charity Foundation – BEA Charity Fund in the Chinese Mainland.

2

Employee Giving and Volunteering

Local volunteer teams and campaigns that enhance relationships, build social capital, and enable our people to become more familiar with the challenges faced by others. We provide employees with opportunities to use their time and skills to support those in need.

3

Leveraging our Business Network

Using our sphere of influence to encourage our partners, customers, and their families to participate in our programmes and events.

4

Educational Initiatives

Utilising our expertise to develop informed initiatives and educational experiences that instil good money management habits among participants.

Programmes and initiatives



Hong Kong

We continue to work through the BEA Foundation to organise and deliver in-kind donations and volunteering activities aligned with our community investment focus areas. Throughout 2024, our flagship CSR programmes sparked collaboration with NGOs and we encouraged staff members to participate in the Bank-wide "Join Hands, Reach Further!" campaign, harnessing individual and group strengths through volunteering. Apart from the Bank's staff, we also engaged their family members and friends to reach out to those in need. In 2024, we engaged nearly 1,570 volunteers and more than 12,300 beneficiaries.



HONG KONG

Beyond Environmental Arts Festival

Education Environment

BEA has partnered with the Hong Kong Youth Arts Foundation to raise public awareness of environmental topics through visual and performing arts since 2022, with sponsorship from the BEA Foundation. In July, the third BEA Festival attracted over 2,500 participants, including 850 teachers and students from 16 schools, with the support of 250 staff volunteers.

See the [ESG Highlights](#) section for more information.



Palliative Care for the Elderly

Social Welfare

BEA is committed to supporting the senior community through tailored products, services, and active partnerships. Since 2010, the BEA Foundation, "la Caixa" Banking Foundation, and The Salvation Army Hong Kong and Macau Territory have collaborated on "Palliative Care for the Elderly", focusing on improving end-of-life care and overall quality of life for Hong Kong's ageing population. The Programme promotes holistic elderly care, volunteer participation, and proactive financial, health, and lifestyle management for seniors.

See the [ESG Highlights](#) section for more information.



The Community Chest BEA Charity Golf Day

Social Welfare

Partnering with The Community Chest of Hong Kong for the ninth consecutive year, we proudly supported The Community Chest BEA Charity Golf Day as the title sponsor and hole-in-one sponsor. The event gathered over 180 golf enthusiasts in 47 teams to showcase their skills and community spirit at The Hong Kong Golf Club's Fanling golf course. Over HK\$2.9 million was raised for mental health services, a record high since the event began.



HONG KONG

Hong Kong Securities and Investment (HKSI) Institute Case Competition

Education

At BEA, we see community engagement as a powerful opportunity to shape the next generation of leaders. With this in mind, BEA Union Investment sponsored the HKSI Institute Case Competition 2024, HKSI Institute's flagship talent development initiative.

Under the theme of sustainability, the competition received a record-breaking 400 student applications from higher

education institutions in Hong Kong and the Greater Bay Area in 2024.

Staff from BEA Union Investment coached five teams on sustainability case studies over two months. With their guidance, one of the

teams won the second runner-up place in the final round of the case competition. We are honoured to have played a role in guiding talented young minds through complex sustainability challenges.

"Coaching the HKSI Institute Case Competition 2024 was a rewarding experience that allowed me to contribute to the next generation's understanding of ESG and sustainability. I was particularly inspired by the passion, creativity, and professionalism demonstrated by the Gen Z participants, especially Team Anyang from South Korea, whose research on "The Next Era of Impact Investing: From TCFD to TNFD" highlighted their depth of insight and commitment to impact investing."



Arthur Chen

Vice President of Product Development & ESG Workgroup Lead
BEA Union Investment

CHINESE MAINLAND

Green Firefly Project

Education Social Welfare Environment

The Shanghai Soong Ching Ling Foundation – BEA Charity Fund has been actively working to improve educational opportunities in rural areas for 15 years through its "Green Firefly Project".

In 2024, the BEA Charity Fund also continued to collaborate with the One Planet Foundation on the "Nature Lessons in the Classroom" public welfare project. The first phase of the course concluded during the reporting period, covering 10 rural schools and involving over 8,000 students. In the second phase, approximately 30 rural teachers were trained to gradually implement biodiversity conservation-themed educational courses in 15 rural schools.

See the ESG Highlights section for more information.



"Observing rural children experience AI for the first time through our "Green Firefly Project" was remarkable. Their excitement and curiosity affirmed our initiative's impact, while the smiles from participants of "The Earth Nature School Project" are a testament to how our collective efforts are nurturing a new generation inspired by both technology and nature."

Jerry Kang

Project Manager of Green Firefly Project

CHINESE MAINLAND

Supporting Our Environment in 2024

Education Environment

Volunteer Activities

In April, coinciding with Earth Day, BEA China launched the "Green Earth, Green Bank" green charity month initiative in 22 cities across the Chinese Mainland. A total of 725 volunteers and their families participated in various activities, including tree planting, contributing over 3,000 volunteer hours.

Charity Livestreaming

In July, BEA China launched its first charity livestream on our Xiaohongshu and WeChat Video Accounts, featuring the "Like to Donate a Lesson" initiative.

The event received over 368,000 likes, resulting in a donation of 3,903 nature lessons to the One Planet Foundation, supporting charity projects focused on environmental literacy.

Supporting Tencent's "Long-term Charity Festival"

In September, the BEA Charity Fund partnered with Tencent Charity and WeChat Pay to contribute CNY900,000 to the "Long-term Charity Festival," raising funds for children's nature literacy courses and jointly promoting the protection of endangered species.



Shanbei Green Charity Journey

Education Social Welfare Environment

In October, BEA China partnered with the Shanghai Soong Ching Ling Foundation, SEE Foundation, Alipay Ant Forest, and the Shanghai Banking Association, along with 14 employee volunteers, to embark on a Green Charity Journey in Wuqi, Yan'an.

The journey began at Wuqi Third Primary School with the completion and inauguration of the 114th Firefly Centre and our 20th teaching support initiative that

brings courses in AI, financial literacy, and environmentally responsible crafts to rural children through 31 hours of instruction.

The group visited Yushuping Village in Changcheng Town, which BEA China has supported for over six years, and experienced first-hand the changes and achievements of rural revitalisation. They also participated in a livestream on Xiaohongshu and WeChat Video to promote

local agricultural products such as apples, millet, and jujubes, garnering over 500,000 likes.

Participants took part in pine tree planting and visited the newly designated BEA Charity Forest, which consists of 27,000 pine trees. As the seedlings grow, it is expected to sequester at least 2,000 tonnes of carbon.



MACAU

Social Welfare

The Macau Branch has a long history of making impactful donations. We have supported the World Vision Macau's Skip-a-Meal Campaign for the 11th consecutive year. In addition, staff purchased 200 bread coupons from the event's charity sale and donated them to Fuhong Society of Macau to share with low-income families.

Macau colleagues also joined "Walk for a Million 2024", organised by the Charity Fund from the Readers of Macao Daily News. Prioritising activities with highly



impactful contributions to health, staff also visited the Macao Blood Transfusion Centre of the Health Bureau of Macao SAR and donated blood to save lives.

Our colleagues give generously of their time as well. Staff visited the Brilho da Vida Elderly Centre of Caritas Macau to celebrate the Mid-Autumn Festival with seniors. Apart from distributing mooncake and gifts, fraud prevention tips were also shared at the event. In September, team members joined an upcycling workshop at The Pou Choi Centre of the Fuhong Society of Macau to create tailor-made diary covers with old denim jeans.

Education Environment

Our community engagement efforts are also an opportunity to build stronger bonds with our customers. The Macau Branch organised a family day event with one of our GSF customers, the bus company Transmac-Transportes Urbanos De Macau, S.A.R.L. The event enabled our staff and their children to visit the bus company's facilities and learn more about the new energy vehicles replacing traditional buses powered by fossil fuels.

MALAYSIA

Environment

Reflecting BEA's Group-wide environmental efforts, in March, the KLRO organised an internal recycling campaign and collected various materials, including plastic bags, paper, aluminium drink cans, soft toys, and clothing. The items were recycled at the 1RECYCLING CENTRE at 1 Utama Shopping Centre, a one-stop recycling hub that promotes a zero-waste culture.



In May, KLRO partnered with Trash Hero Kuala Lumpur to help clean up the area surrounding Titiwangsa Lake Park.

Social Welfare

In August, colleagues volunteered at the Kechara Soup Kitchen, a non-profit organisation that has been serving homeless and marginalised communities in Malaysia for over 15 years. Teams packed and served vegetarian hot meals, dry food, fruit, and drinks to the beneficiaries. Additional food was distributed to various refugee centres.

TAIWAN

Social Welfare Environment



The team also focused on social welfare initiatives, participating in a second-hand book donation campaign organised by the Sunshine Social Welfare Foundation. The initiative aimed to raise funds for people

in need while reducing environmental waste. Our colleagues donated around 330 books, which were then sorted and categorised for charity sales with proceeds directed towards services for burn victims, people with facial disfigurements, and their families.

Environment

Colleagues in our Taiwan Branch came together to help clean Zhongjiao Bay for Earth Day, respecting the unique natural beauty. Around 58kg of litter, including plastic waste and glass debris, was collected along the shoreline.



SINGAPORE

Social Welfare

Our Singapore Branch is committed to fulfilling its role as a responsible corporate citizen in the community we serve. In March, 50 staff members spent a morning engaging with the local community and distributing "Goodie Bags". The Goodie Bags, containing daily essentials, were delivered to 87 households of underprivileged seniors living at public housing blocks at Ghim Moh Road.



In June, over 40 colleagues volunteered at a soup kitchen with Willing Hearts, a charity that prepares and distributes around 7,000 free meals to over 70 locations island-wide, 365 days a year. Staff volunteers also organised an ice cream making workshop for 45 children in August. The children crafted their own ice cream and enjoyed delicious waffles together. Our colleagues also dressed up as book characters and superheroes to add more laughter and joy to the event.

More than 70 staff and family members took part in the Walk for Rice event in October. For every 300 meters walked, the FairPrice Foundation donated one bowl

of white rice, one bowl of brown rice, and one bowl of oatmeal to vulnerable families residing in the South East District in Singapore. Our team managed to clock over 900 kilometres, donating over 10,000 bowls of rice and grains to the needy.



UNITED KINGDOM

Environment

With biodiversity and nature rising within the global sustainability agenda, in March, volunteers from our branches in the UK participated in the Habitat Restoration Day organised by Thames21 to help rewild the River Brent in Brent Lodge Park. Our team members removed overgrown vegetation and built a dead hedge, providing a shelter for wildlife and promoting biodiversity.

In May, colleagues also volunteered at the Phoenix Garden, a community garden that provides a vital habitat for urban wildlife and a retreat in nature from the stresses of the city. In addition to learning environmental tips for a more sustainable lifestyle, our volunteers assisted with general gardening maintenance such as planting shrubs, repairing paths for barrier-free access, and cleaning benches for visitors.



Social Welfare

Our branches in the UK donated 30 unused smartphones to the environmental charity, Hubbub, in support of "Community Calling", a project to reduce electronic waste and enhance digital inclusion. The devices will be loaded with free mobile data and gifted to people in disadvantaged communities, such as asylum seekers, refugees, and those experiencing homelessness, through the charity's partner, Migrant

Help. This will help them get online and access essential services, such as medical appointment bookings, applying for a job, or keeping in touch with loved ones.

London branch colleagues also organised a charity bake sale to raise money for Age UK. Staff volunteered by baking a variety of delicious treats. All proceeds were donated to the charity organisation to support their work in promoting the wellbeing of older adults.

Outside London, staff in Manchester Branch challenged themselves to pedal 800 miles in the Prostate Cancer UK's Cycle the Month to raise funds for life-saving research. The team rode almost 900 miles, exceeding the original target. In Birmingham Branch, staff took on the 10km Shine Night Walk to support Cancer Research UK, stride by stride.

UNITED KINGDOM

Support for Chinese Culture in the UK

Social Welfare

The Bank's role as a bridge between East and West does not end with our products and services. We also actively participate in activities related to Chinese culture across our markets.

In June, colleagues from our London Branch participated in The Dragon Boat Race hosted by Far East Consortium to raise funds for the East End Community Foundation, as part of the Life Chances Campaign. The race was an opportunity to come together as a team, and a chance to support the foundation's efforts in tackling inequality faced across East London. Our team "BEA Red Pandas" demonstrated strong team spirit, enthusiasm, and dedication which contributed to making the event a success.



Colleagues from Manchester, along with their family and friends, also joined the Manchester Dragon Boat Race organised by the Xinhua Chinese Association. Donations were made to Action for Children, a charity that supports vulnerable children, young people, and families.

Throughout the year, we sponsored various Chinese holiday celebrations, such as the Mid-Autumn Festival, as well as the UK

Chinese Sports Federation's annual golf tournament. BEA also supported Chinese schools, such as The Birmingham Chinese School and Overseas Chinese Association School. For Chinese New Year, we collaborated with the London Chinatown Chinese Association to sponsor the flagship Chinese New Year event at Trafalgar Square and in Chinatown to promote Chinese culture.

UNITED STATES

Education Social Welfare

In January, our New York Branch hosted a financial literacy workshop for students from Primary School P.S. 002 Meyer London in Manhattan. The team introduced financial knowledge and skills through interactive games and quizzes, and helped them build up a positive attitude towards finance. In November, we participated in an educational Workshop on Common Fraud Schemes and How to Handle and Prevent Fraudulent Situations

for seniors run by the Chinese-American Planning Council, Inc., New York Chinatown Older Adult Center.

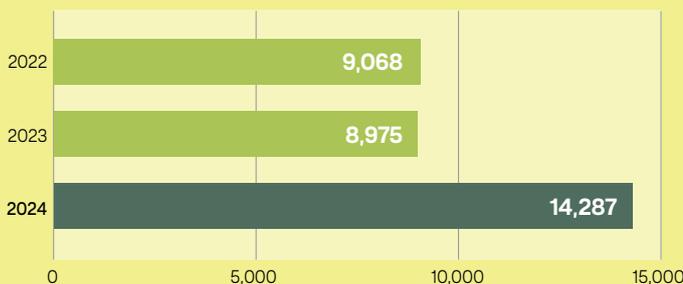
In Los Angeles Branch, colleagues volunteered at Los Angeles Regional Food Bank in March. Together with other members of the community, the team assembled 1,680 boxes of food and essentials for distribution to low-income individuals and families. In November, Los Angeles Branch also conducted a fraud

prevention seminar for seniors at a local adult care centre. During the event, topics covered common fraud schemes and how to recognise and avoid scams.



2024 Performance

Volunteering hours



Number of volunteer hours

59% yoy

The number of volunteer hours has increased by 59% yoy, driven by incentive programmes. In 2024, we also explored interest within divisions in different types of volunteer services and organised activities according to their preferences, which enhanced engagement.

Our Performance

New data disclosed in 2024 is asterisked (*) in the tables below.

Due to rounding, totals may not precisely match the sum of individual components.
Differences due to rounding are considered immaterial unless otherwise noted.

Economic Performance

ESG Guide/GRI Standards Reference	Indicator	2024 (HKD Mn)	2023 (HKD Mn)	2022 (HKD Mn)
GRI 201-1	Direct economic value generated and distributed			
	Revenue	21,017	20,762	19,411
	Operating costs	3,135	3,153	2,844
	Employee compensation and benefits	5,603	5,445	5,491
	Payment to providers of capital	2,409	2,032	2,888
	Payments to government in Hong Kong	647	419	428
	Payments to government in Chinese Mainland	(77) ²⁴	188	8
	Payments to government in Other markets	425	488	301
	Total cash donations to charitable organisations	8	14	12
Economic value retained	8,867	9,023	7,439	
KPI B8.2 GRI 201-1	Financial donations by location			
	Hong Kong	7	10	9
	Chinese Mainland	1	4	3
	Other markets	-	-	-

²⁴ The negative balance represented a tax credit in the Chinese Mainland.

Environmental Performance

ESG Guide/ GRI Standards Reference	Indicator	Unit	2024	2023	2022
Energy					
GRI 302-1	Energy consumption within the organisation				
	Total energy consumption		146,890	151,440	157,646
	Total electricity consumption from non-renewable sources		133,007	136,052	139,674
	Total electricity consumption from renewable sources* ²⁵		1,160	-	-
	Total heating purchased for consumption	gigajoules (GJ)	0.00	0.00	0.00
	Total cooling purchased for consumption		0.00	0.00	0.00
	Total fuel consumption from non-renewable sources (Diesel oil, petrol and town gas)		12,723	15,388	17,973
	Total fuel consumption from renewable sources		0.00	0.00	0.00
KPI A2.1	Total direct and indirect energy consumption by type				
	Total energy consumption		40,803	42,067	43,791
	Total electricity consumption from non-renewable sources		36,946	37,792	38,798
	Total electricity consumption from renewable sources* ²⁵		322	-	-
	Total heating purchased for consumption	mega kilowatt hours (MWh)	0.00	0.00	0.00
	Total cooling purchased for consumption		0.00	0.00	0.00
	Total fuel consumption from non-renewable sources (Diesel oil, petrol and town gas)		3,534	4,274	4,992
	Total fuel consumption from renewable sources		0.00	0.00	0.00
KPI A2.1 GRI 303-3	Overall energy intensity of the Group by gross floor area (GFA)				
		GJ/m ²	0.74	0.74	0.75
Water					
KPI A2.2 GRI 303-5	Water consumption				
	Total consumption of municipal fresh water	m ³	99,893	107,823	115,300
	Water intensity				
	per square metre of GFA	m ³ /m ²	0.51	0.53	0.55
Air emissions²⁶					
KPI A1.1 GRI 305-7	Emissions from gaseous fuel consumption				
	Nitrogen oxide (NOx)	kilograms (kg)	8.67	8.47	6.79
	Sulphur oxide (SOx)		0.04	0.04	0.03
	Emissions from vehicles				
	NOx	kg	164	512	641
	SOx		4.44	5.57	6.82
	Particulate matter		12	42	54

²⁵ Total electricity consumption from renewable sources and non-renewable sources is disclosed separately due to our gradual transition to renewable energy in our operations across different markets. Renewable energy is generated from on-site solar panels and purchased from off-site sources, such as solar, wind, and hydroelectric, provided from utility companies.

²⁶ Air emissions are calculated according to the Stock Exchange's "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs".

Environmental Performance (continued)

ESG Guide/ GRI Standards Reference	Scope	Unit	Source of emission factors	2024	2023	2022
Carbon emissions						
KPI A1.2	Total GHG emissions in Hong Kong					
GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	Scope 1 emissions	tonnes CO ₂ equivalent (CO ₂ e)	GHG emissions from stationary combustion sources (town gas) and mobile combustion sources (unleaded petrol for road transport): • "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)" published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD)	944	1,932	1,372
			GHG emissions from refrigerant containing hydrofluorocarbons (HFCs) refilled in heating, ventilation, and air conditioning (HVAC) system: • IPCC Sixth Assessment Report (AR6)			
	Scope 2 emissions (Location-based)	tonnes CO ₂ e	GHG emissions from purchased electricity: • CLP Power Hong Kong Limited (Latest Sustainability Report) • The Hongkong Electric Company, Limited (Latest Sustainability Report)	10,144	10,127	10,922
			GHG emissions from purchased gas: • The Hong Kong and China Gas Company Limited (Latest Sustainability Report)			
	Scope 1 and 2 emissions	-		11,088	12,059	12,294
	Scope 1 and 2 emission intensity per unit of GFA	tonnes CO ₂ e/m ²	-	0.15	0.15	0.14
Total GHG emissions in the Chinese Mainland						
	Scope 1 emissions	tonnes CO ₂ e	GHG emissions from stationary combustion sources (diesel) and mobile combustion sources (unleaded petrol for road transport): • "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)" published by EPD and EMSD	717	1,022	1,109
			GHG emissions from refrigerant containing HFCs refilled in HVAC system: • IPCC AR6			
	Scope 2 emissions ²⁷	-	GHG emissions from purchased electricity: • Ministry of Ecology and Environment of People's Republic of China	7,773	8,046	8,397
	Scope 1 and 2 emissions	-		8,490	9,068	9,506
	Scope 1 and 2 emission intensity per unit of GFA	tonnes CO ₂ e/m ²	-	0.08	0.09	0.09
Total GHG emissions in other markets						
	Scope 1 emissions	tonnes CO ₂ e	GHG emissions from stationary combustion sources (diesel) and mobile combustion sources (unleaded petrol for road transport): • Department for Environment, Food and Rural Affairs (DEFRA) in the UK	592	335	327
			GHG emissions from refrigerant containing HFCs refilled in HVAC system: • IPCC AR6			
	Scope 2 emissions	-	GHG emissions from purchased electricity: • Energy Administration, Ministry of Economic Affairs of Taiwan • Malaysia Energy Information Hub (MEIH) • Energy Market Authority of Singapore • Environmental Protection Agency of the US • The International Energy Agency	1,066	1,133	1,142
	Scope 1 and 2 emissions	-		1,659	1,467	1,469
	Scope 1 and 2 emission intensity per unit of GFA	tonnes CO ₂ e/m ²	-	0.11	0.09	0.10

²⁷ Scope 2 emissions of 2022 and 2023 for the Chinese Mainland have been recalculated due to the latest updates on the emissions factors from the Ministry of Ecology and Environment of the People's Republic of China in 2024.

Environmental Performance (continued)

ESG Guide/ GRI Standards Reference	Indicator	Unit	Source of emission factors	2024	2023	2022
Carbon emissions						
Total GHG emissions of BEA Group						
	Scope 1 emissions		Refer to the above	2,254	3,289	2,807
	Scope 2 emissions	tonnes CO ₂ e	Refer to the above	18,984	19,306	20,461
	Scope 1 and 2 emissions		-	21,237	22,595	23,269
	Scope 1 and 2 emission intensity per unit of GFA	tonnes CO ₂ e/m ²	-	0.11	0.11	0.11
	Scope 3 emissions (Investment)* ^{28,29}			-	4.13	-
	Business loans*	MtCO ₂ e	Emission factors across asset classes and sectors from PCAF database	-	1.03	-
	Corporate bonds*			-	2.06	-
	Listed equities*			-	0.004	-
	Project finance*			-	1.03	-

Our approach for Scope 1 and 2 emissions

Standard used	The GHG Protocol: A Corporate and Reporting Standard (2004)
Consolidation approach	Operational control due to the access to operational data
Operational boundary	194 offices, branches, warehouses, and ATMs in Hong Kong, Chinese Mainland, Macau, Taiwan, Singapore, Malaysia, the UK, and the US

Our approach for Scope 3 emissions

Standard used	The GHG Protocol: A Corporate and Reporting Standard (2004) PCAF's Global GHG Accounting and Reporting Standard
Consolidation approach	Operational control
Boundary	Various asset classes, including listed equities, corporate bonds, business loans, trade finance, and green and sustainable finance instruments managed by our business operations in Hong Kong, Chinese Mainland, Macau, Taiwan, Singapore, Malaysia, the UK, and the US

²⁸ Since many portfolio companies will disclose their financial and emissions data for the year ending 31 December 2024 at the same or after the publication of this report, the financed emissions data in this report is based on the Group's 2023 performance.

²⁹ The emissions data includes Scope 1, 2, and 3 emissions for the Automotive Manufacturing and Energy (Oil & Gas) sectors, and Scope 1 and 2 emissions for the Power and Steel sectors.

Environmental Performance (continued)

ESG Guide/ GRI Standards Reference	Indicator	Unit	2024	2023	2022
Waste					
KPI A1.3	All waste		642	577	579
KPI A1.4	Non-hazardous waste				
GRI 306-3	Paper ³⁰	tonnes	331	350	311
GRI 306-4	Food waste		37	20	20
GRI 306-5	Other general non-hazardous waste		272	207	247
	Hazardous waste				
	IT products		1.75	0.19	0.39
	Waste diverted from landfill		328	328	316
	Non-hazardous waste				
	Paper recycled	tonnes	312	312	311
	Other recycled		15	7	4
	Hazardous waste				
	IT products recycled		1.75	0.19	0.39
	Waste directed to disposal		314	249	263
	Non-hazardous waste				
	Landfill	tonnes	244	173	176
	Incineration		70	76	87
	Hazardous waste³¹		N/A	N/A	N/A
	Paper waste intensity	kg/full-time employee	42	43	37

³⁰ Paper waste data includes copy paper and IT paper, which makes up most of the paper used, as well as a small amount of cardboard.

³¹ Hazardous waste is not material to the operations of BEA as a commercial bank.

Social Performance

Workforce

ESG Guide/ GRI Standards Reference	Indicator	Unit	2024	2023	2022
Employee information					
KPI B1.1	Total number		7,880	8,140	8,451
GRI 2-7 GRI 405	Gender	Male	3,301	3,432	3,508
		Female	4,579	4,708	4,943
	Age	Under 30	819	954	1,077
		Aged 30-50	5,591	5,713	5,888
		Over 50	1,470	1,473	1,486
Nationality (Top 4 nationalities)*		Chinese	90.0	90.1	-
		British	2.7	3.2	-
		Singaporean	2.4	2.5	-
		American	0.9	0.8	-
Permanent Contract		Male	3,264	3,387	3,470
		Female	4,539	4,668	4,900
Fixed Term/ Temporary Contract		Male	37	45	38
		Female	40	40	43
Full time		Male	3,299	3,429	3,500
		Female	4,565	4,690	4,907
Part time		Male	2	3	8
		Female	14	18	36
Hong Kong		Permanent Contract	4,501	4,602	4,762
		Fixed Term/Temporary Contract	63	70	71
		Full time	4,549	4,653	4,793
		Part time	15	19	40
Chinese Mainland		Permanent Contract	2,764	2,905	3,058
		Fixed Term/Temporary Contract	2	1	0
		Full time*	2,766	2,906	3,058
		Part time*	0	0	0
Other markets		Permanent Contract	538	548	550
		Fixed Term/Temporary Contract	12	14	10
		Full time*	549	560	556
		Part time*	1	2	4

ESG Guide/ GRI Standards Reference	Indicator	Unit:	2024		2023	
Share of women in specific positions³²						
		Number	%	Number	%	
	All management positions	2,327	53	2,286	52	
	Top management positions	7	41	8	44	
	Junior management positions ³³	2,090	54	2,049	54	
	Revenue-generating functions	1,480	56	1,438	55	
	STEM-related positions	235	27	249	27	

³² All management positions include general manager and above, senior manager and manager; top management positions include general manager and above; junior management positions include manager. Revenue-generating functions include business units that contribute directly to the Group's services and products. STEM-related positions include staff members who make use of their skills and knowledge of science, technology, engineering or mathematics in their positions.

³³ The figures related to junior management positions for 2022 are restated to reflect changes in raw data.

Social Performance (continued)**Workforce**

ESG Guide/ GRI Standards Reference	Indicator	Unit	2024	2023	2022
Gender pay gap*^{34,35}					
GRI 405-2	Mean gender pay gap	%	26.6	-	-
	Median gender pay gap		26.7	-	-
	Mean performance-related bonus gap		20.5	-	-
	Median performance-related bonus gap		38.7	-	-

ESG Guide/ GRI Standards Reference	Indicator	2024		2023		2022		
New Hires								
		Unit:	Number	%	Number	%	Number	%
GRI 401-1	Total new hires	Total	920	11.8	1,197	14.9	1,511	18.1
		Male	463	14.2	611	18.1	756	21.8
		Female	457	10.1	586	12.6	755	15.5
		Under 30	296	36.9	416	44.8	534	51.2
		Aged 30-50	554	9.9	695	12.2	894	15.3
		Over 50	70	5.0	86	6.1	83	5.8
		Hong Kong	735	16.4	909	19.8	1,153	24.4
		Chinese Mainland	109	4.0	173	6.0	257	8.4
		Other markets	76	14.2	115	21.1	101	18.5

ESG Guide/ GRI Standards Reference	Indicator	2024		2023		2022		
Turnover								
		Unit:	Number	%	Number	%	Number	%
KPI B1.2	Total turnover	Total	1,167	15.0	1,412	17.6	1,646	19.8
		GRI 401-1	Male	586	18.0	642	19.0	768
GRI 401-1		Female	581	12.8	770	16.6	878	18.1
		Under 30	223	27.8	296	31.9	426	40.9
		Aged 30-50	686	12.3	856	15.0	1,016	17.4
		Over 50	258	18.4	260	18.5	204	14.2
		Hong Kong	835	18.6	985	21.5	1,160	24.6
		Chinese Mainland	247	9.0	318	10.9	388	12.7
		Other markets	85	15.8	109	20.0	98	17.9
		Voluntary employee turnover rate*	-	9.9	-	-	-	-

³⁴ The gender pay gap (mean or median) is the difference between the total compensation paid to male employees and that paid to female employees as of 31 December 2024. The gender bonus gap (mean or median) is the difference in performance-related bonus pay between male and female employees for the performance year ending on 31 December 2024.

³⁵ The study of gender pay gap covers 7,763 permanent full-time staff in Hong Kong, Chinese Mainland, and other markets which is around 99.7% of total permanent full-time staff of the BEA Group. The total number of permanent full-time employees as of December 2024 is 7,787.

Social Performance (continued)**Family-friendly practices**

ESG Guide/ GRI Standards Reference	Indicator	Unit	2024		2023		2022	
Parental leave								
			Male	Female	Male	Female	Male	Female
GRI 401-3	Employees entitled to parental leave	Number	3,174	4,400	3,432	4,708	3,508	4,943
	Employees who took parental leave		106	122	84	491	152	365
	Employees who returned to work in the reporting period after parental leave		106	107	79	476	136	294
	Employees retained 12 months after returning from parental leave		68	432	48	473	73	160
	Return to work rate		%	100	91.5	95.2	98.8	89.5
	Retention rate		86.1	91.1	64.0	89.9	90.1	81.2

Occupational health and safety³⁶

ESG Guide/ GRI Standards Reference	Indicator		2024		2023		2022	
Workplace injuries and fatalities								
		Unit:	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
KPI B2.1	Fatalities as a result of work-related injury	Total	0	0.00	0	0.00	0	0.00
GRI 403-9	High consequence work-related injuries	Total	1	0.01	0	0.00	6	0.07
		Hong Kong	0	0.00	0	0.00	4	0.08
		Chinese Mainland	1	0.04	0	0.00	2	0.06
		Other markets	0	0.00	0	0.00	0	-
	Recordable work-related injuries ³⁷	Total	9	0.11	12	0.15	7	0.08
		Hong Kong	8	0.18	5	0.11	4	0.08
		Chinese Mainland	1	0.04	7	0.24	3	0.10
		Other markets	0	0.00	0	0.00	0	0.00
KPI B2.2	Lost days due to work-related injury	Total	312	-	638	-	1,589	-
		Hong Kong	88	-	527	-	934	-
		Chinese Mainland	224	-	111	-	655	-
		Other markets	0	-	0	-	0	-
Absenteeism								
		Unit:	Rate (%)		Rate (%)		Rate (%)	
	Absentee rate ³⁸	Total	1.8		2.0		-	
		Hong Kong	1.9		2.3		-	
		Chinese Mainland	1.6		1.7		-	
		Other markets	2.1		2.1		-	

³⁶ All occupational health and safety-related data cover only employees of the BEA Group.³⁷ Recordable work-related injuries are incidents that must be reported to government agencies, such as the Labour Department in Hong Kong.³⁸ Absentee rate is calculated based on the total number of days lost due to absenteeism of any kind, not only as a result of work-related injury or disease, divided by the total number of workdays scheduled. Figures for 2023 are restated to reflect changes in raw data.

Social Performance (continued)

Training and development

ESG Guide/ GRI Standards Reference	Indicator	Unit	2024	2023	2022
Training hours					
KPI B3.1	Average training	Total	59	54	51
KPI B3.2	hours per employee	Male	57	53	49
GRI 404		Female	60	52	52
		General manager and above	66	71	55
		Senior manager and manager	54	51	46
		Officer, clerical, and non-clerical	65	59	57
		Contract and part-time staff	55	35	24
		Under 30	72	68	-
		Aged 30-50	62	58	-
		Over 50	42	32	-
	Training hours by category ³⁹	Total training hours	464,172	441,752	430,682
		ESG	7.5	-	-
		Management training and development	7.2	-	-
		Risk management, compliance/legal knowledge	32.1	-	-
		Tech and data	13.8	-	-
		Others	39.5	-	-
	Percentage of employees trained*	Total	100	100	100
		Male	100	100	100
		Female	100	100	100
		General manager and above	100	100	100
		Senior manager and manager	100	100	100
		Officer, clerical, and non-clerical	100	100	100
		Contract and part-time staff	100	100	100
	Total amount spent on training and development⁴⁰	HKD	11,549,425	12,825,894	27,767,616

Community investment

ESG Guide/ GRI Standards Reference	Indicator	Unit	2024	2023	2022
Volunteering hours⁴¹					
KPI B8.2	Total		14,287	8,975	9,068
	During non-office hours	Number	12,200	8,278	7,238
	During office hours		2,087	697	1,830
Volunteers participated/engaged⁴²					
KPI B8.2	Total	Person time	3,434	895	841

³⁹ Training courses have been recategorised to align with internal reporting.

⁴⁰ Starting from 2023, the total amount spent on training and development excludes staff and operating costs related to training and development.

⁴¹ Including volunteering hours contributed by staff members or their family members or friends, customers, business partners/suppliers, and/or analysts/members of the media.

⁴² For 2022 and 2023, the volunteer count only includes those in Hong Kong. Starting from 2024, the total number of volunteers engaged includes individuals from all the markets where we operate.

Social Performance (continued)**Supplier information**

ESG Guide/ GRI Standards Reference	Indicator	2024		2023		2022		
		Number	%	Number	%	Number	%	
Suppliers (≥ HK\$50,000 or equivalent per year) by geographical location)								
		Unit:						
KPI B5.1	Total		1171	100	1,311	100	1,743	100
GRI 2-6	Hong Kong		449	38.3	562	42.9	677	38.8
	Chinese Mainland		431	36.8	434	33.1	750	43.0
	Macau and Taiwan		45	3.8	37	2.8	52	3.0
	Rest of Asia (Singapore, Malaysia, Japan)		55	4.7	58	4.4	54	3.1
	North America		68	5.8	86	6.6	81	4.6
	Europe		108	9.2	119	9.1	111	6.4
	Other		15	1.3	15	1.1	18	1.0
Supplier assessment								
	Environmental criteria	Unit:						
GRI 308-1	New suppliers that were screened using environmental criteria*		75	72.8	-	-	-	-
GRI 308-2	Suppliers assessed for environmental impacts*		863	-	-	-	-	-
	Suppliers identified as having significant actual and potential negative environmental impacts*		27	-	-	-	-	-
	Social criteria	Unit:						
GRI 414-1	New suppliers that were screened using social criteria*		75	72.8	-	-	-	-
GRI 414-2	Suppliers assessed for social impacts*		863	-	-	-	-	-
	Suppliers identified as having significant actual and potential negative social impacts*		27	-	-	-	-	-

Governance Performance

Composition of the Board of Directors

ESG Guide/ GRI Standards Reference	Indicator	Unit:	2024		2023		2022	
			Number	%	Number	%	Number	%
GRI 405-1	Board of Directors	Total	17	-	17	-	17	-
		Male	16	94.1	16	94.1	16	94.1
		Female	1	5.9	1	5.9	1	5.9
		Under 30	0	0	0	0	0	0
		Aged 30-50	2	11.8	4	23.5	4	23.5
		Over 50	15	88.2	13	76.5	13	76.5
		Executive Directors	3	17.6	3	17.6	3	17.6
		Independent Directors	7	41.2	7	41.2	7	41.2
		Other Non-executive Directors	7	41.2	7	41.2	7	41.2

Compliance

ESG Guide/ GRI Standards Reference	Indicator	Unit	2024	2023	2022
Non-compliance					
GRI 2-27	Incidents of non-compliance with laws and regulations				
	Significant instances of non-compliance with laws and regulations		0	0	1
	Significant instances of non-compliance with laws and regulations for which fines were incurred*		0	0	1
	Significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred*		0	0	0
	Significant instances of non-compliance with laws and regulations regarding customer data privacy*		0	0	0
	Significant instances of non-compliance with laws and regulations regarding conflicts of interest*	Number	0	0	0
	Significant instances of non-compliance with laws and regulations regarding money laundering or insider trading*		0	0	0
GRI 406-1	Incidents of discrimination		0	0	0
	Cases of human rights violations		0	0	0
GRI 417-3	Incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications				
	Total		0	0	0
	Incidents of non-compliance with regulations resulting in a fine or penalty	Number	0	0	0
	Incidents of non-compliance with regulations resulting in a warning		0	0	0
	Incidents of non-compliance with voluntary codes		0	0	0
	Information security				
	Cases of information security breaches		0	-	-
Total number of clients, customers, and employees affected by the information security breaches*	Number	0	-	-	
KPI B7.1	Incidents of corruption				
GRI 205-3	Confirmed incidents of corruption and actions taken	Number	0 ⁴³	0	0

⁴³ During the reporting year, no concluded legal cases regarding corrupt practices were brought against BEA Group or its employees. However, two former BEA Group employees faced corruption-related charges and their employment contracts were terminated. In response, BEA Group has implemented enhanced measures and launched additional training to promote business ethics.

Governance Performance (continued)**Compliance**

ESG Guide/ GRI Standards Reference	Indicator	Unit	2024	2023	2022
Non-compliance					
GRI 418	Complaints regarding breaches of customer privacy and losses of customer data				
	Substantiated complaints regarding breaches of customer privacy and losses of customer data		0	1	0
	Substantiated complaints regarding breaches of customer privacy and losses of customer data received from outside parties and substantiated*	Number	0	0	0
	Substantiated complaints regarding breaches of customer privacy and losses of customer data received from regulatory bodies*		0	1	0
GRI 2-27	Fines				
	Total number of fines for instances of non-compliance with laws and regulations that occurred in the reporting period*	Number	0	0	1
	Cost of fines, penalties or settlements in relation to corruption*	HKD (Mn)	0	0	19
	Total number fines/settlements over the previous three years where each is valued > US \$100 million*	Number	0	0	0
	Combined total value of fines/settlements over the previous three years where each is valued > US \$100 million*	HKD	0	0	0

Whistleblowing

ESG Guide/ GRI Standards Reference	Indicator	Unit	2024	2023	2022
	Total number of reports received from whistleblowers* ⁴⁴	Number	11	-	-

Anti-corruption

ESG Guide/ GRI Standards Reference	Indicator	2024		2023		
		Unit:	Number	%	Number	%
GRI 205	Board Directors who attended anti-corruption training/that BEA's anti-corruption policies and procedures have been communicated to	Total	17	100	17	100
			15	88	15	88
			2	12	2	12
	Employees who attended anti-corruption training/that BEA's anti-corruption policies and procedures have been communicated to ⁴⁵	Total	9,158	100	-	100
			4,492	100	-	100
			3,881	100	-	100
			603	100	-	100
			35	100	-	100
			4,832	100	-	100
			3,950	100	-	100
			159	100	-	100

⁴⁴ After investigation, all of the cases were deemed unsubstantiated.

⁴⁵ The rate is calculated based on the number of staff members applicable for each anti-corruption training course. The applicability of staff members varies for each course, depending on whether they joined the Group on or before a certain date.

Appendices

ESG Guide Content Index

This report has been prepared in line with the ESG Guide contained in Appendix C2 to The Rules Governing the Listing of Securities on the Stock Exchange.

Mandatory Disclosure Requirements

Governance Structure	Location/Remarks
<p>A statement from the board containing the following elements:</p> <ol style="list-style-type: none"> a disclosure of the board's oversight of ESG issues; the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	Our Approach to Sustainability – Corporate Governance
Reporting Principles	Location/Remarks
<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <ul style="list-style-type: none"> Materiality; Quantitative; and Consistency. 	About this Report – Reporting Principles
Reporting Boundary	Location/Remarks
<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	About this Report – Report Coverage

"Comply or Explain" Provisions

A. Environmental		Location/Remarks
A1. Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Sustainable Resource Use
A1.1	The types of emissions and respective emissions data.	Our Performance – Environmental Performance
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Operational Emissions Reduction Our Performance – Environmental Performance
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Performance – Environmental Performance Hazardous waste is not material to the operations of BEA as a commercial bank. We therefore report a breakdown in tonnes produced, however an intensity figure for hazardous waste is not considered appropriate.
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Performance – Environmental Performance
A1.5	Description of emission target(s) set and steps taken to achieve them.	Operational Emissions Reduction
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Sustainable Resource Use Hazardous waste is not material to the operations of BEA as a commercial bank. While we do not have a waste reduction target in place, we have implemented waste reduction initiatives.
A2. Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainable Resource Use
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Our Performance – Environmental Performance
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Performance – Environmental Performance
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	While we do not have an energy use efficiency target in place, we strive to improve our energy use efficiency, which contributes to our net zero operational emissions target.
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	BEA has not had any issues sourcing water that is fit for purpose. For purposes of target setting, water is not material to the operations of BEA as a commercial bank.
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging material is not material to the operations of BEA as a commercial bank.
A3. The Environment and Natural Resources		
General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Sustainable Finance Climate-related Risk and Resilience
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustainable Resource Use Operational Emissions Reduction Responsible Supply Chain Management Our Material Impacts, Risks, and Opportunities

"Comply or Explain" Provisions (continued)

A. Environmental		Location/Remarks
A4. Climate Change		
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Sustainable Finance Climate-related Risk and Resilience Operational Emissions Reduction
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Material Impacts, Risks, and Opportunities
B. Social		Location/Remarks
B1. Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Talent Attraction and Retention Diversity and Equal Opportunity
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our Performance – Social Performance
B1.2	Employee turnover rate by gender, age group and geographical region.	Our Performance – Social Performance
B2. Health and Safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health, Safety, and Wellbeing
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Our Performance – Social Performance
B2.2	Lost days due to work injury.	Our Performance – Social Performance
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health, Safety, and Wellbeing
B3. Development and Training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Our Performance – Social Performance
B3.2	The average training hours completed per employee by gender and employee category.	Training and Development Our Performance – Social Performance
B4. Labour Standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Diversity and Equal Opportunity Responsible Supply Chain Management
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Diversity and Equal Opportunity Responsible Supply Chain Management
B4.2	Description of steps taken to eliminate such practices when discovered.	Forced labour is not material to the operations of BEA as a commercial bank. We have provided a description of how we manage our supply chain on pages 83-84 of this report.

"Comply or Explain" Provisions (continued)

B. Social		Location/Remarks
B5. Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Supply Chain Management
B5.1	Number of suppliers by geographical region.	Responsible Supply Chain Management Our Performance – Governance Performance
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Supply Chain Management
B6. Product Responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Products and Services Cybersecurity and Data Privacy
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Forced product recalls are not material to the operations of BEA as a commercial bank.
B6.2	Number of products and service related complaints received and how they are dealt with.	Responsible Products and Services
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property rights are not material to the operations of BEA as a commercial bank.
B6.4	Description of quality assurance process and recall procedures.	See B6.1.
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Cybersecurity and Data Privacy
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.	Business Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Our Performance – Governance Performance
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
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.	Community Partnerships and Volunteering
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Partnerships and Volunteering
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Partnerships and Volunteering Our Performance – Social Performance

GRI Content Index

BEA has reported in accordance with the GRI Standards for the period 1 January to 31 December 2024.

GRI Standards	Disclosure Number and Title	Location/Remarks
GRI 2	General Disclosures 2021	
The Organisation and its Reporting Practices		
2-1	Organizational details	About BEA Annual Report 2024 BEA is listed on the Stock Exchange of Hong Kong.
2-2	Entities included in the organization's sustainability reporting	About this Report – Report Coverage
2-3	Reporting period, frequency and contact point	About this Report – Report Coverage About this Report – We Welcome Your Feedback
2-4	Restatements of information	Restatements are described in Our Performance and Climate-related Risk and Resilience – Management Approach – Metrics and Targets.
2-5	External assurance	Verification Statement
Activities and Workers		
2-6	Activities, value chain and other business relationships	About BEA
2-7	Employees	Our Performance – Social Performance
2-8	Workers who are not employees	Currently, we do not fully disclose the data related to non-employee workers working on the Bank's premises due to data availability.
Governance		
2-9	Governance structure and composition	Our Approach to Sustainability – Corporate Governance Annual Report 2024
2-10	Nomination and selection of the highest governance body	Annual Report 2024
2-11	Chair of the highest governance body	Annual Report 2024
2-12	Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability – Corporate Governance
2-13	Delegation of responsibility for managing impacts	Our Approach to Sustainability – Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability – Corporate Governance Our Approach to Sustainability – Our Material ESG Topics
2-15	Conflicts of interest	Business Ethics Annual Report 2024
2-16	Communication of critical concerns	Business Ethics
2-17	Collective knowledge of the highest governance body	Our Approach to Sustainability – Corporate Governance
2-18	Evaluation of the performance of the highest governance body	Our Approach to Sustainability – Our Sustainability Strategy Annual Report 2024
2-19	Remuneration policies	Annual Report 2024
2-20	Process to determine remuneration	Annual Report 2024
2-21	Annual total compensation ratio	Annual Report 2024

ESG 2024 Highlights	About this Report	About BEA	Our Approach to Sustainability	Our Sustainability Pillars	Our Performance	Appendices
ESG Guide Content Index	GRI Content Index	IFRS S2 Climate-Related Disclosures Content Index	Our Material Impacts, Risks, and Opportunities	Our ESG-Related Policies and Statements	Charters, Memberships, Awards, and Recognition	Verification Statement

GRI Standards	Disclosure Number and Title	Location/Remarks
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	Message from the Executive Chairman Leadership Conversation with the Co-Chief Executives Our Approach to Sustainability – Corporate Governance
2-23	Policy commitments	Our Approach to Sustainability – Corporate Governance Our ESG-related Policies and Statements
2-24	Embedding policy commitments	Details for specific material topics can be found under each respective Management Approach.
2-25	Processes to remediate negative impacts	Our Approach to Sustainability – Corporate Governance
2-26	Mechanisms for seeking advice and raising concerns	Our Approach to Sustainability – Corporate Governance Business Ethics Talent Attraction and Retention
2-27	Compliance with laws and regulations	Our Approach to Sustainability – Corporate Governance Business Ethics Our Performance – Governance Performance
2-28	Membership associations	Charters, Memberships, Awards, and Recognition
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Our Approach to Sustainability – Our Material ESG Topics
2-30	Collective bargaining agreements	The majority of the Group's employees are located in Hong Kong and the rest of Greater China, where there are no collective bargaining arrangements. In Singapore, 10.5% of BEA's employees are covered by collective bargaining agreements. We also maintain clear and open grievance channels for employees to raise concerns.

Material Topics

GRI Standards	Disclosure Number and Title	Location/Remarks
GRI 3: Materials Topics 2021		
3-1	Process to determine material topics	Our Approach to Sustainability – Our Material ESG Topics
3-2	List of material topics	Our Material Impacts, Risks, and Opportunities
GRI 201: Economic Performance 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Sustainable Finance Climate-related Risk and Resilience Business Ethics Our Material Impacts, Risks, and Opportunities
201-1	Direct economic value generated and distributed	Our Performance – Economic Performance Annual Report 2024
201-2	Financial implications and other risks and opportunities due to climate change	Climate-related Risk and Resilience
GRI 203: Indirect economic impacts 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Financial Literacy and Inclusion Our Material Impacts, Risks, and Opportunities
203-2	Significant indirect economic impacts	Financial Literacy and Inclusion

Material Topics (continued)

GRI Standards	Disclosure Number and Title	Location/Remarks
GRI 205: Anti-corruption 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Our Material Impacts, Risks, and Opportunities
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics Our Performance – Governance Performance Currently, we do not fully disclose the data related to training provided to business partners due to data availability. However, our suppliers are required to confirm their acknowledgement of SCoC, which includes the Group's anti-corruption requirements.
205-3	Confirmed incidents of corruption and actions taken	Our Performance – Governance Performance
GRI 207: Tax 2019		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Business Ethics Our Material Impacts, Risks, and Opportunities
207-1	Approach to tax	Business Ethics
207-2	Tax governance, control, and risk management	Business Ethics
GRI 302: Energy 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Sustainable Resource Use Operational Emissions Reduction Our Material Impacts, Risks, and Opportunities
302-1	Energy consumption within the organisation	Our Performance – Environmental Performance
302-3	Energy intensity	Our Performance – Environmental Performance
302-4	Reduction of energy consumption	Sustainable Resource Use Operational Emissions Reduction
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Sustainable Resource Use Our Material Impacts, Risks, and Opportunities
303-5	Water consumption	Our Performance – Environmental Performance
GRI 305: Emissions 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Sustainable Finance Climate-related Risk and Resilience Operational Emissions Reduction Our Material Impacts, Risks, and Opportunities
305-1	Direct (Scope 1) GHG emissions	Our Performance – Environmental Performance
305-2	Energy indirect (Scope 2) GHG emissions	Our Performance – Environmental Performance
305-3	Other indirect (Scope 3) GHG emissions	Climate-related Risk and Resilience – Metrics and Targets Our Performance – Environmental Performance
305-4	GHG emissions intensity	Our Performance – Environmental Performance
305-5	Reduction of GHG emissions	Sustainable Finance Climate-related Risk and Resilience Operational Emissions Reduction
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Our Performance – Environmental Performance

Material Topics (continued)

GRI Standards	Disclosure Number and Title	Location/Remarks
GRI 306: Waste 2020		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Sustainable Resource Use Our Material Impacts, Risks, and Opportunities
306-1	Waste generation and significant waste-related impacts	Sustainable Resource Use
306-2	Management of significant waste-related impacts	Sustainable Resource Use
306-3	Waste generated	Our Performance – Environmental Performance
306-4	Waste diverted from disposal	Our Performance – Environmental Performance
306-5	Waste directed to disposal	Our Performance – Environmental Performance
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Responsible Supply Chain Management Our Material Impacts, Risks, and Opportunities
308-1	New suppliers that were screened using environmental criteria	Our Performance – Social Performance Responsible Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	Our Performance – Social Performance No significant negative environmental impacts have been identified in the supply chain.
GRI 401: Employment 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Talent Attraction and Retention Our Material Impacts, Risks, and Opportunities
401-1	New employee hires and employee turnover	Our Performance – Social Performance
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Attraction and Retention
401-3	Parental leave	Our Performance – Social Performance
GRI 402: Labor/Management Relations 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Talent Attraction and Retention Our Material Impacts, Risks, and Opportunities
402-1	Minimum notice periods regarding operational changes	While the Group does not have a minimum notice period in place, we strive to ensure that employees are kept informed, as soon as practical and subject to local regulatory requirements, of any operational changes that could significantly affect them.
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Health, Safety, and Wellbeing Our Material Impacts, Risks, and Opportunities The Group operates in the financial services industry where the risk of fatalities and severe injuries on the job is minimal. We have chosen to include employee wellness and mental health, as stress is a significant risk in our industry.
403-1	Occupational health and safety management system	Health, Safety, and Wellbeing
403-2	Hazard identification, risk assessment, and incident investigation	Business Ethics Health, Safety, and Wellbeing
403-3	Occupational health services	Health, Safety, and Wellbeing
403-4	Worker participation, consultation, and communication on occupational health and safety	Health, Safety, and Wellbeing

Material Topics (continued)

GRI Standards	Disclosure Number and Title	Location/Remarks
GRI 403: Occupational Health and Safety 2018		
403-5	Worker training on occupational health and safety	Health, Safety, and Wellbeing
403-6	Promotion of worker health	Health, Safety, and Wellbeing
403-8	Workers covered by an occupational health and safety management system	Our occupational health and safety management system applies exclusively to employees of BEA.
403-9	Work-related injuries	Our Performance – Social Performance
GRI 404: Training and Education 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Training and Development Our Material Impacts, Risks, and Opportunities
404-1	Average hours of training per year per employee	Our Performance – Social Performance
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development
GRI 405: Diversity and Inclusion 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Financial Literacy and Inclusion Diversity and Equal Opportunity Our Material Impacts, Risks, and Opportunities
405-1	Diversity of governance bodies and employees	Our Performance – Social Performance Our Performance – Governance Performance
405-2	Ratio of basic salary and remuneration of women to men	Our Performance – Social Performance
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Financial Literacy and Inclusion Diversity and Equal Opportunity Our Material Impacts, Risks, and Opportunities
406-1	Incidents of discrimination and corrective actions taken	Our Performance – Governance Performance
GRI 413: Local Communities 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Community Partnerships and Volunteering Our Material Impacts, Risks, and Opportunities
413-1	Operations with local community engagement, impact assessments, and development programs	Community Partnerships and Volunteering 100% of our operations implemented local community engagement programmes.
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Responsible Supply Chain Management Our Material Impacts, Risks, and Opportunities
414-1	New suppliers that were screened using social criteria	Our Performance – Social Performance Responsible Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Our Performance – Social Performance No significant negative social impacts have been identified in the supply chain.

Material Topics (continued)

GRI Standards	Disclosure Number and Title	Location/Remarks
GRI 417: Marketing and Labeling 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Responsible Products and Services Our Material Impacts, Risks, and Opportunities
417-3	Incidents of non-compliance concerning marketing communications	Our Performance – Governance Performance
GRI 418: Customer Privacy 2016		
3-3	Management of material topics	Our Approach to Sustainability – Corporate Governance Cybersecurity and Data Privacy Our Material Impacts, Risks, and Opportunities
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Performance – Governance Performance

IFRS S2 Climate-Related Disclosures Content Index

This year, BEA began preparing its climate-related financial disclosures with reference to IFRS S2 Climate-related Disclosures, which incorporate the recommendations of the TCFD and informs Part D of the Environmental, Social, and Governance Reporting Code contained in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange.

Where BEA has not included climate-related financial disclosures consistent with IFRS S2 requirements, we have provided justifications and the details of steps being undertaken to enhance our management and disclosure practices, in line with the "comply-or-explain" approach of the Hong Kong Monetary Authority's Supervisory Policy Manual GS-1 on Climate Risk Management.

Section	Paragraph	Disclosure Requirements	Location/Remarks
Core Content			
Governance	5	The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.	
	6	To achieve this objective, an entity shall disclose information about:	
	(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:	Our Approach to Sustainability – Corporate Governance
	i.	how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	Sustainable Finance – Management Approach
	ii.	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Climate-related Risk and Resilience – Management Approach – Governance
	iii.	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Sustainable Resource Use – Management Approach
	iv.	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	Operational Emissions Reduction – Management Approach
	v.	how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33–36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)).	
	(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
	i.	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
	ii.	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

Section	Paragraph	Disclosure Requirements	Location/Remarks
Strategy	Climate-related Risks and Opportunities		
	10	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:	Climate-related Risk and Resilience – Management Approach – Risk Management – Climate-related risks and opportunities
	(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	
	(b)	explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	
	(c)	specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
	(d)	explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision making.	The time horizons used to define and assess the Group's climate-related risks and opportunities are aligned with those used in the Group's five-year strategic plan.
	Business Model and Value Chain		
	13	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:	Sustainable Finance – 2024 Performance Climate-related Risk and Resilience – Management Approach – Strategy – Climate-focused stress testing
	(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and	Climate-related Risk and Resilience – Management Approach – Risk Management
	(b)	a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	As at the end of December 2024, our exposure to carbon-intensive sectors comprised 13.4% of our total loan and bond investment assets.

Section	Paragraph	Disclosure Requirements	Location/Remarks
Strategy and Decision making			
	14	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision making. Specifically, the entity shall disclose:	Sustainable Finance – Programmes and Initiatives Sustainable Finance – 2024 Performance
	(a)	information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:	Climate-related Risk and Resilience – Management Approach – Strategy Climate-related Risk and Resilience – Management Approach – Risk Management – Climate-related risks and opportunities
	i.	current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);	Climate-related Risk and Resilience – Management Approach – Metrics and Targets Sustainable Resource Use – Programmes and Initiatives Sustainable Resource Use – 2024 Performance
	ii.	current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);	Operational Emissions Reduction – Programmes and Initiatives
	iii.	current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);	Operational Emissions Reduction – 2024 Performance
	iv.	any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and	Our Performance – Environmental Performance
	v.	how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36.	
	(b)	information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	
	(c)	quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	

Section	Paragraph	Disclosure Requirements	Location/Remarks
		Financial Position, Financial Performance and Cash Flows	
	15	An entity shall disclose information that enables users of general purpose financial reports to understand:	Sustainable Finance – 2024 Performance
	(a)	the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and	Climate-related Risk and Resilience – Management Approach – Strategy – Climate-focused stress testing
	(b)	the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Climate-related Risk and Resilience – Management Approach – Risk Management – Climate-related risks and opportunities
	16	Specifically, an entity shall disclose quantitative and qualitative information about:	Qualitative information about the financial effects of climate-related risks and opportunities is provided in this report. BEA is developing the skills, capabilities, and resources to fully assess, and effectively quantify, the current and anticipated financial effects of climate-related risks and opportunities. These effects will inform the determination of how they impact BEA's financial statements and could affect BEA's financial position in the future, and will disclose this information in future reports.
	(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	
	(b)	the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	
	(c)	how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
	i.	its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	
	ii.	its planned sources of funding to implement its strategy; and	
	(d)	how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	

Section	Paragraph	Disclosure Requirements	Location/Remarks
		Climate Resilience	
	22	An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances (see paragraphs B1–B18). In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:	Climate-related Risk and Resilience – Management Approach – Strategy – Climate-focused stress testing
	(a)	the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand:	
	i.	the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;	
	ii.	the significant areas of uncertainty considered in the entity's assessment of its climate resilience;	
	iii.	the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including:	
		1. the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;	
		2. the entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and	
		3. the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience; and	
	(b)	how and when the climate-related scenario analysis was carried out, including:	
	i.	information about the inputs the entity used, including:	
		1. which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	
		2. whether the analysis included a diverse range of climate-related scenarios;	
		3. whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
		4. whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
		5. why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
		6. the time horizons the entity used in the analysis; and	
		7. what scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis);	
	ii.	the key assumptions the entity made in the analysis, including assumptions about:	
		1. climate-related policies in the jurisdictions in which the entity operates;	
		2. macroeconomic trends;	
		3. national- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources);	
		4. energy usage and mix; and	
		5. developments in technology; and	
	iii.	the reporting period in which the climate-related scenario analysis was carried out (see paragraph B18).	

Section	Paragraph	Disclosure Requirements	Location/Remarks
Risk Management	24	The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.	Climate-related Risk and Resilience – Management Approach – Risk Management
	25	To achieve this objective, an entity shall disclose information about:	
	(a)	the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	i.	the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	
	ii.	whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	
	iii.	how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	
	iv.	whether and how the entity prioritises climate-related risks relative to other types of risk;	
	v.	how the entity monitors climate-related risks; and	
vi.	whether and how the entity has changed the processes it uses compared with the previous reporting period;		
(b)	the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and		
(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.		

Section	Paragraph	Disclosure Requirements	Location/Remarks
Metrics and Targets	Climate-related Metrics		
	29	An entity shall disclose information relevant to the cross-industry metric categories of:	
	(a)	greenhouse gases—the entity shall:	
	i.	disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent (see paragraphs B19–B22), classified as:	Climate-related Risk and Resilience – Management Approach – Metrics and Targets
	1.	Scope 1 greenhouse gas emissions;	Our Performance – Environmental Performance
	2.	Scope 2 greenhouse gas emissions; and	
	3.	Scope 3 greenhouse gas emissions;	
	ii.	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25);	
	iii.	disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including:	
	1.	the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;	
	2.	the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	3.	any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	iv.	for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between:	The Group does not currently disaggregate Scope 1 and 2 emissions between the consolidated accounting group and other investees, and will explore the possibility of doing so in future reporting periods.
1.	the consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and		
2.	other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries);		
v.	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions (see paragraphs B30–B31); and		
vi.	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57, disclose:		
1.	the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and		
2.	additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63);	In this first year that the Group applies IFRS S2, this report does not include the additional information regarding Scope 3 emissions required by paragraph 29(a)(vi)(2) of IFRS S2.	

Section	Paragraph	Disclosure Requirements	Location/Remarks
		Climate-related Metrics	
	(b)	climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	BEA will engage management in the determination of appropriate metrics to measure the amount and percentage of assets or business activities vulnerable to climate-related risks, and aligned with opportunities, as well as the deployment of capital towards climate-related risks and opportunities in the next reporting period.
	(c)	climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	
	(d)	climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;	
	(e)	capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	
	(f)	internal carbon prices—the entity shall disclose:	
	i.	an explanation of whether and how the entity is applying a carbon price in decision making (for example, investment decisions, transfer pricing and scenario analysis); and	
	ii.	the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions;	
	(g)	remuneration—the entity shall disclose:	Climate-related Risk and Resilience – Management Approach – Governance 100% of executive management remuneration recognised in the current reporting period was linked to climate-related considerations.
	i.	a description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)); and	
	ii.	the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	
	32	An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the entity discloses, the entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing IFRS S2.	Our Performance – Environmental Performance BEA is assessing the industry-based metrics associated with the disclosure topics described for the commercial banks industry in the Industry-based Guidance on Implementing IFRS S2 and will disclose additional applicable metrics in the next reporting year.

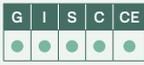
Section	Paragraph	Disclosure Requirements	Location/Remarks
		Climate-related Targets	
	33	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:	ESG Highlights – Our Progress Climate-related Risk and Resilience – Management Approach – Metrics and Targets
	(a)	the metric used to set the target (see paragraphs B66–B67);	Operational Emissions Reductions – Programmes and Initiatives
	(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Operational Emissions Reductions – 2024 Performance
	(c)	the part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);	Our Performance – Environmental Performance
	(d)	the period over which the target applies;	Our net zero financed emissions targets, as well as the methodology behind setting these targets, have not been third-party validated. However, we have collaborated closely with an experienced consultant specialised in emissions measurement and target setting to ensure their accuracy.
	(e)	the base period from which progress is measured;	
	(f)	any milestones and interim targets;	
	(g)	if the target is quantitative, whether it is an absolute target or an intensity target; and	
	(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
	34	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Our net zero operational emissions target, along with the methodology we used to set this target, has been validated by an independent report verifier, HKQAA.
	(a)	whether the target and the methodology for setting the target has been validated by a third party;	Both net zero targets for operational and financed emissions include all greenhouse gases as outlined by the GHG Protocol, which cover carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF ₆), and nitrogen trifluoride (NF ₃).
	(b)	the entity's processes for reviewing the target;	
	(c)	the metrics used to monitor progress towards reaching the target; and	
	(d)	any revisions to the target and an explanation for those revisions.	
	35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	While our net zero operational emissions target is a net GHG emissions target, net zero financed emissions targets are gross GHG emissions targets.
	36	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose:	
	(a)	which greenhouse gases are covered by the target.	
	(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	
	(c)	whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs B68–B69).	
	(d)	whether the target was derived using a sectoral decarbonisation approach.	

Section	Paragraph	Disclosure Requirements	Location/Remarks
	Climate-related Targets		
	(e)	the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs B70–B71:	During the reporting year, BEA did not use carbon credits to offset its emissions. We are committed to achieving operational net zero emissions by 2030.
	i.	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	We strive to reduce emissions according to our net zero roadmap by electrification, energy efficiency projects, on-site renewable energy and off-site renewable energy procurement.
	ii.	which third-party scheme(s) will verify or certify the carbon credits;	
	iii.	the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	The remaining Scope 1 and Scope 2 emissions will be respectively addressed through renewable energy certificates and carbon offsets, with reference to Science Based Targets initiative, by limiting residual offsets to a maximum of 10%, to achieve net zero emissions by 2030.
	iv.	any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	

Our Material Impacts, Risks, and Opportunities

[GRI 2-29, 3-3]

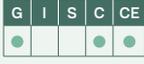
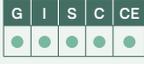
For each material topic, we have identified associated impacts, risks, and opportunities, as well as the key areas of impact that may be influenced by our management and performance and where related financial effects may lie. We strive to work with stakeholders within key areas of impact to minimise adverse impacts and create shared value through responsible business conduct.

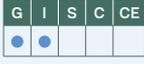
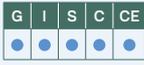
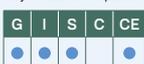
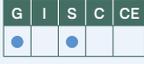
Material Topic and Key Areas of Impact ⁴⁶	Material Topic Description	Impact Materiality		Financial Materiality		
		Negative Impacts	Positive Impacts	Risks	Opportunities	Financial Effects ⁴⁷
Responsible Business						
Business ethics Key Areas of Impact: 	Ensuring the highest standards of business conduct, complying with applicable laws and regulations and having a zero-tolerance stance on corruption, money laundering and financing groups linked to terrorism.	Misconduct or unethical behaviour erodes confidence in the financial services industry, which has historically faced challenges earning and maintaining trust.	Responsible business practices build trust in financial systems, enabling economic development. Robust corporate governance supported by transparency can enable and amplify other positive sustainability impacts.	Violation of legal or other requirements can result in fines, litigation, and restrictions on specific business activities. Reputational damage can lead to decreased revenue and impairment of intangible assets. Risks also include credit rating downgrades and increased cost of capital.	Demonstrating prudence and responsible value distribution can build and maintain faith in BEA, helping attract and retain customers. This can increase revenue and protect shareholder value by minimising the potential for losses due to legal proceedings.	<ul style="list-style-type: none"> • Revenue • Expenditure • Assets and liabilities • Cost of capital and financing
Climate-related risk and resilience Key Areas of Impact: 	Identifying and integrating climate considerations into governance, strategic planning, risk management, and decision-making processes to build climate resilience and contribute to a low-carbon future.	GHG emissions associated with our portfolio contribute to climate change, which is negatively impacting the environment and human health. Failure to adapt to climate-related impacts may exacerbate physical damage to BEA's assets or assets within its portfolio.	Investment in climate resilience can help BEA reduce the possibility of operational disruption and damage to assets caused by climate-related hazards. Investment in climate mitigation and adaptation in our portfolio drives positive impacts regionally and globally.	Stringent regulations and policies, such as climate-related disclosure and risk management requirements, pose financial and compliance risks. The potential physical impacts of climate change pose potential threats to BEA's assets and could result in significant financial losses.	Climate-resilient practices and products can help grow market share, reduce costs, streamline processes, and forge closer relationships with BEA's customers. Integrating climate-related criteria into BEA's services and lending practices helps mitigate related risks.	<ul style="list-style-type: none"> • Revenue • Expenditure • Assets and liabilities • Cost of capital and financing
Cybersecurity and data privacy Key Areas of Impact: 	The protection of customers' data and privacy, including ongoing efforts to improve security measures, as BEA adopts innovative digital technologies.	Cyberattacks may result in theft of proprietary, sensitive or personal data, damaging BEA's customers and business partners. Stolen data may be used for fraud, causing economic disruption and undermining confidence in digitalised financial services more broadly.	Cybersecurity and data privacy management supports digitalisation, enabling BEA to provide new services for customers, access underserved populations, amplifying its ability to deliver positive impacts across the business.	New technologies may increase the risks of cyberattacks, which can result in contingent liabilities, fines, increased expenses and impaired reputation, decreasing market share and revenue. Vulnerability to cyberattacks may increase BEA's cost of capital.	Digital technologies such as cloud computing and AI can help BEA grow market share through new products and services while reducing expenses. Trust in BEA's approach to cybersecurity and data privacy can help retain customers.	<ul style="list-style-type: none"> • Revenue • Expenditure • Assets and liabilities • Cost of capital and financing

⁴⁶ Key areas of impact are presented with reference to the following five categories: Within the Group (G), Investors (I), Suppliers (S), Customers (C), and Community and Ecosystems (CE).

⁴⁷ This column provides an indication of where the primary financial effects of the risks and opportunities associated with the topic may lie within four categories of financial impact based on the TCFD Recommendations. The following general definitions apply:

- **Revenue:** Changes in demand for products and services and market share
- **Expenditures:** Changes in costs, including operating expenses, cost of goods sold, capital expenditures, and fines or penalties
- **Assets and liabilities:** Effects on physical assets (e.g., PPE) and intangibles, such as brand and reputation, as well as actual and contingent liabilities (e.g., litigation)
- **Cost of capital and financing:** Effects that may influence the decisions of providers of capital, including banks and equity investors

Material Topic and Key Areas of Impact ⁴⁶	Material Topic Description	Impact Materiality		Financial Materiality		
		Negative Impacts	Positive Impacts	Risks	Opportunities	Financial Effects ⁴⁷
Responsible Business						
Financial literacy and inclusion Key Areas of Impact: 	Providing our customers with the financial knowledge they need to help ensure their financial wellbeing, considering their needs in developing and promoting products and providing adequate access to our services.	Failing to address the needs of vulnerable and underserved groups can exacerbate existing inequalities. Customers who are not financially literate may make uninformed decisions that can put their financial wellbeing at risk.	Banking services can support vulnerable and underserved groups' access to basic needs, such as housing and transportation. Targeted products and services for SMEs and micro-enterprises can stimulate local economies and job growth. Financial literacy initiatives help customers make informed decisions and protect their financial wellbeing.	Banks that fail to successfully address the needs of vulnerable and underserved groups may lose market share as more customers gain access to financial services and competitors respond. Customers who are not financially literate may present lending risks for BEA.	A more diversified and financially literate deposit funding base can help manage lending risk and increase interest income while lowering credit risk and cost of capital. Financial literacy and inclusion initiatives can improve BEA's reputation and the value of intangible assets.	<ul style="list-style-type: none"> • Revenue • Expenditure • Assets and liabilities • Cost of capital and financing
Responsible products and services Key Areas of Impact: 	Considering the financial needs of our customers, designing and marketing products and services that are fair, and having relevant grievance mechanisms in place to enable two-way communication.	Deceptive design and marketing practices can lead customers to purchase products or services without fully understanding their risks. Discriminatory lending exacerbates inequalities and negatively impacts both individuals, companies and communities.	Fair marketing and lending practices help individuals access financial services on an informed basis, without fear of discrimination or deception, which can significantly improve quality of life and financial wellbeing.	Breach of BEA's legal and regulatory requirements, including regarding product marketing and design, can result in fines, litigation and restrictions on specific business activities. Failure to provide services that satisfy customer expectations may increase complaints, diminish trust in BEA and negatively impact revenue.	Treating customers fairly builds trust in BEA, helping maintain and grow market share. Assessing and responding to customer feedback can lead to increased customer loyalty, compliments and referrals, strengthen our customer relationships and improve BEA's products and services.	<ul style="list-style-type: none"> • Revenue • Expenditure • Assets and liabilities • Capital and financing
Sustainable finance Key Areas of Impact: 	Integrating ESG considerations into the Bank's investment and lending practices to minimise or negate BEA's potential contribution to negative impacts through its financing decisions, including on nature, and identifying business opportunities for financing that can drive the transition to a more sustainable future.	BEA's customers and portfolio companies may contribute to negative impacts on the environment, economies, and people. BEA may contribute to these impacts through its investment and lending activities. Failure to manage ESG factors in financing decisions can exacerbate these negative impacts.	BEA can leverage its position and influence to encourage customers and other stakeholders to transition to more sustainable practices. Considering ESG factors in financing decisions can help mitigate negative impacts on the environment, economies, and people connected to our customers and portfolio companies.	Failure to manage increasing ESG risks, including nature-related risks, in our portfolio can result in diminished returns and longer-term outflows of assets under management as well as loss of market share. Association with customers or portfolio companies with poor ESG performance can negatively impact BEA's reputation.	The integration of ESG factors into valuation and modelling, as well as engagement with investees on sustainability issues, can help generate superior returns. Sustainability-focused products can open new market opportunities for both consumers and corporate customers.	<ul style="list-style-type: none"> • Revenue • Assets and liabilities • Cost of capital and financing
Systemic risk management Key Areas of Impact: 	Identifying, assessing, and mitigating risks that have the potential to disrupt broader financial systems to enhance business resilience and promote stability.	The failure to manage risks to capital by international financial institutions can contribute to market disruption and financial crises due to the interconnectedness of the global financial system.	Effective risk management can build confidence in global and regional financial markets, and enable more sustainable long-term development.	The failure to manage systemic risks appropriately can significantly impact BEA's performance and ability to withstand financial and economic downturns. Failure to comply with legal and regulatory requirements to manage systemic risks (e.g., capital or stress testing requirements) can result in fines and restrictions on specific business activities.	Managing systemic risk (e.g., through stress testing) can enhance BEA's resilience in financial and economic downturns. Improved capital ratios and transparency on capital can give banks a competitive advantage, improve credit ratings and lower costs of capital. Higher liquidity ratios may positively impact efficiency and profitability.	<ul style="list-style-type: none"> • Revenue • Expenditure • Assets and liabilities • Cost of capital and financing

Material Topic and Key Areas of Impact ⁴⁶	Material Topic Description	Impact Materiality		Financial Materiality		
		Negative Impacts	Positive Impacts	Risks	Opportunities	Financial Effects ⁴⁷
Responsible Operations						
Diversity and equal opportunity Key Areas of Impact: 	Operating with respect for differences, without discrimination regarding age, gender, sexual orientation, religion, origin, medical condition or other factors, while ensuring employment relationships are based on the principle of equal opportunity and fair treatment.	The absence of diversity, equal opportunities, and non-discriminatory practices can create a difficult work environment in which certain employees may feel marginalised or excluded, leading to job dissatisfaction and poor mental health outcomes.	An inclusive workplace characterised by fairness, equity, opportunity and respect for social and cultural diversity brings diverse perspectives from which we all benefit and allows staff members from all backgrounds to realise their full potential, fostering job satisfaction and a sense of purpose at work.	Organisations that lack a focus on diversity may face costly litigation related to discrimination. A homogenous board and workforce can also limit the range of perspectives and ideas, leading to poor decision making and missed opportunities for market and product development, which can impact revenue and growth.	A diverse workforce can be more innovative and responsive to the needs of BEA's various customers. Companies known for their commitment to diversity and equality may be more attractive to customers, partners and investors who prioritise social responsibility, opening doors to new markets and enhancing brand loyalty.	<ul style="list-style-type: none"> • Revenue • Expenditure • Assets and liabilities
Health, safety, and wellbeing Key Areas of Impact: 	Providing a workplace aimed at ensuring the wellbeing of BEA's employees and a healthy and safe environment for both employees and customers.	Any injury at work, ill-health or mental illness of an employee may lead to loss of working days, business opportunities, or affect BEA's corporate image. Unsafe environments make employees less productive and negatively impact both physical and mental health.	A healthy and safe work environment is conducive to a stable, engaging, and highly productive workforce, which in turn ensures a positive experience for BEA's customers and other stakeholders.	Neglecting employee health, safety, and wellbeing can damage BEA's reputation if incidents or accidents occur, leading to negative publicity and loss of trust amongst stakeholders. It can also result in expenses, workers' compensation claims, legal fees and regulatory fines, as well as increased absenteeism and lower productivity.	Investing in health, safety, and wellbeing can enhance BEA's reputation as a responsible and caring employer, making it more attractive to top talent and business partners. It also boosts productivity by fostering a healthier, more engaged workforce, ultimately contributing to better overall performance.	<ul style="list-style-type: none"> • Revenue • Expenditure • Assets and liabilities
Operational emissions reduction Key Areas of Impact: 	Responding to the climate emergency by reducing the GHG emissions that arise from our operations.	GHG emissions from BEA's operations, including energy use and other sources, contribute to worsening climate change, which negatively impacts the environment and human health.	Investment in GHG emissions reduction measures, including facility lifecycle replacements and environmental projects, can help to mitigate the negative impacts of climate change and contribute to the transition to a low-carbon future.	Stricter environmental regulations can result in fines and operational restrictions for companies with high emissions. This can lead to increased costs, reduced competitiveness, and potential reputational damage. BEA may need to purchase carbon credits, renewable energy, and related products to neutralise residual emissions, increasing expenses.	Addressing climate change can help BEA stay ahead of changing regulations, reduce operating costs and disruptions, and future-proof the business. It can also support opportunities for better financing and insurance arrangements.	<ul style="list-style-type: none"> • Expenditure • Assets and liabilities • Cost of capital and financing
Responsible supply chain management Key Areas of Impact: 	Managing the Bank's supply chain in a responsible and ethical manner that respects human rights and minimises impact on the environment, including opting for environmentally and socially preferable suppliers, and promoting responsible practices in the Bank's supply chain.	BEA's suppliers may be connected to negative impacts on economies, the environment, and people, such as unethical practices related to labour and human rights or environmental degradation. As a customer, BEA may indirectly contribute to these impacts.	Implementing ethical and sustainable supply chain practices helps protect vulnerable stakeholder groups and environments around the world and encourages the adoption of more sustainable products and services.	Neglecting social and environmental issues in the supply chain increases the risk of legal liabilities and regulatory penalties due to involvement with suppliers who violate social requirements, including human or labour rights, or environmental regulation. Poor practices could also impact BEA's reputation through social media, etc.	Addressing ESG issues in the supply chain can attract socially and environmentally conscious investors and customers, enhancing brand loyalty and market differentiation. It can also mitigate risks associated with regulatory compliance and supply chain disruptions, potentially leading to cost savings and increased operational efficiency.	<ul style="list-style-type: none"> • Revenue • Expenditure • Assets and liabilities • Cost of capital and financing

Material Topic and Key Areas of Impact ⁴⁶	Material Topic Description	Impact Materiality		Financial Materiality		
		Negative Impacts	Positive Impacts	Risks	Opportunities	Financial Effects ⁴⁷
Responsible Operations						
Sustainable resource use Key Areas of Impact: G I S C CE ● ● ● ● ●	Measuring, monitoring and where possible, reducing the consumption of resources needed for the Bank's daily operations including energy, paper and water, and reducing waste from resources used.	Inefficient and excessive use of resources exacerbates the depletion of natural resources, while continued reliance on fossil fuel-based energy contributes to the worsening of climate change.	Implementing resource efficiency and conservation initiatives can help mitigate environmental risks, including with respect to air, water, forests, and our climate.	Unsustainable resource use can increase operational costs due to inefficiencies and waste. BEA may also face fines for failing to comply with environmental requirements.	Investing in resource efficiency and conservation can lead to cost savings through reduced operational expenses and lower resource consumption.	<ul style="list-style-type: none"> Expenditure
Talent attraction and retention Key Areas of Impact: G I S C CE ● ● ● ● ●	Providing a meaningful and rewarding employee experience including benefits, remuneration, and working environments supported by open and clear communication that enables the Bank to attract and retain employees.	Failure to provide appropriate compensation and benefits to employees, supportive working environments or poor communication within BEA can negatively impact the employee experience and lead to dissatisfaction and reduce morale.	Acquiring the best talent and retaining employees who deliver a positive experience to BEA's customers contributes to BEA's sustainability as well as the overall health of the banking sector, economy, and society.	BEA's performance depends on the efforts of a highly skilled workforce within a competitive industry. Demoralised staff may result in lower productivity, higher turnover and decreased customer satisfaction, significantly impacting BEA's competitive position. Vacancies can disrupt operations and may be costly to fill.	Motivated employees drive BEA's performance. Talent programmes, promoting career opportunities at industry, job fairs, and university events, and encouraging internal mobility strengthen BEA's existing talent pool and help secure a pipeline of leaders for long-term success.	<ul style="list-style-type: none"> Revenue Expenditure Assets and liabilities
Training and development Key Areas of Impact: G I S C CE ● ● ● ● ●	Providing training and development opportunities to enhance job performance, assist employees in achieving career objectives, and being active on succession planning.	Inadequate training and development can result in unethical conduct and unhealthy turnover. Poorly trained workers experience limited job satisfaction and do not perform their job duties effectively.	Training empowers employees and helps them advance their careers at BEA. Internal, external, and tailored training supports upskilling and professional development, leading to improved employee performance, higher employee satisfaction and morale.	Inadequate training can stifle innovation and adaptability, making BEA less competitive in a rapidly changing market. Failure to invest in employee development can hinder long-term growth, as BEA may struggle to retain talent, foster leadership, and maintain a stable workforce.	Training and development ensures BEA's workforce can contribute to performance in a highly complex industry. Training and leadership programmes aimed at enhancing the capabilities of BEA's employees can cultivate a robust talent pool and a succession pipeline for the company.	<ul style="list-style-type: none"> Revenue Expenditure Assets and liabilities

Responsible Citizen						
Community partnerships and volunteering Key Areas of Impact: G I S C CE ● ● ● ● ●	Contributing to the communities in which the Bank operates through charitable donations, programme funding, scholarships, sponsorships, and in-kind donations such as staff volunteering.	Failure to participate in the communities the Bank serves can exacerbate social inequalities and divisions.	BEA can leverage its influence and resources to address social needs, such as financial education, and promote environmental awareness in the communities the Bank serves. Engaging staff in volunteering efforts can promote job satisfaction and a sense of purpose at work.	Failure to invest in meaningful community partnerships may result in missed opportunities for brand enhancement, potentially leading to reduced customer loyalty. Inadequate engagement or poorly executed community programmes can lead to public criticism, potentially damaging BEA's credibility and trust within the community and negatively impacting the Bank's brand.	Strong community partnerships can help BEA build relationships and trust with key stakeholders, supporting the Bank's reputation as a responsible brand and a preferred banking partner among customers. Volunteering encourages the spirit of giving and strengthens BEA's reputation as a socially responsible institution.	<ul style="list-style-type: none"> Revenue Assets and liabilities

Our ESG-Related Policies and Statements

[GRI 2-23, 2-27]

* Internal policy documents

ESG-related policies	External references
Overarching	
Group Responsible Investment Policy*	International Capital Market Association Green Bond Principles United Nations Principles for Responsible Investment
Sustainability Policy	Treat Customers Fairly Charter Personal Data (Privacy) Ordinance (Cap. 486) ESG Guide contained in Appendix C2 to The Rules Governing the Listing Securities on The Stock Exchange
Sustainable Procurement Policy	/
Environmental	
Environmental Policy	UN Environment Programme Finance Initiative – Statement of Commitment by Financial Institutions on Sustainable Development
Sustainable Building Policy	/
Social	
Community Investment Guidelines*	/
Group Equal Employment Opportunity, Diversity, and Inclusion Policy*	UN Universal Declaration of Human Rights Fundamental conventions of the ILO
Human Rights Policy	UN International Bill of Human Rights UN Universal Declaration of Human Rights UN Guiding Principles on Business and Human Rights Fundamental conventions of the ILO
Occupational Health and Safety Policy	ISO 45001:2018 Occupational Health and Safety Management Systems standard
Slavery and Human Trafficking Statement	UN Universal Declaration of Human Rights Fundamental conventions of the ILO
Staff Training and Development Policy*	Supervisory Policy Manual CG-6 "Competence and Ethical Behaviour" issued by the HKMA
Governance	
Anti-Bribery and Corruption Statement	/
Corporate Governance Policy*	Appendix C1 (Corporate Governance Code) to The Rules Governing the Listing Securities on The Stock Exchange Supervisory Policy Manual CG-1 "Corporate Governance of Locally Incorporated Authorised Institutions"; Supervisory Policy Manual CG-5 regarding Guideline on a Sound Remuneration System, Guidance on Empowerment of Independent Non-executive Directors in the Banking Industry in Hong Kong; and Circular on Bank Culture Reform, all issued by the HKMA The Articles of Association of the Bank Other applicable laws and regulations of Hong Kong, other relevant policies and practices of the Bank
Code of Conduct*	/
Conflict of Interest Policy*	Supervisory Policy Manual CR-G-9 "Exposures to Connected Parties" issued by the HKMA
Cyber Security Policy*	The Cyber Resilience Assessment Framework (C-RAF) issued by the HKMA which is a sub set of "Information Security Policy"
Directors' Code of Conduct and Policy on Conflicts of Interest*	/

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ESG-related policies	External references
Governance	
Disciplinary Guidelines and Procedure*	/
General Guideline on Personal Data Protection*	Personal Data (Privacy) Ordinance (Cap. 486)
Group Risk Management Policy*	Basel paper titled "Compliance and the compliance function in banks" issued by the Basel Committee on Banking Supervision Supervisory Policy Manual CR-G-1 "General Principles of Credit Risk Management" issued by the HKMA
Group Policy on Anti-Bribery and Corruption*	Guidance(s) issued by the ICAC and other similar laws and regulations in other countries/jurisdictions when conducting business there or where appropriate Prevention of Bribery Ordinance (Cap.201)
Group Policy on Anti-Money Laundering and Counter-Financing of Terrorism*	Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)
Group Policy on Fraud Risk Management*	Common law offence of "conspiracy to defraud" Section 16A to 22 of the Theft Ordinance (Cap 210)
Group Privacy Policy*	UK General Data Protection Regulation Personal Data (Privacy) Ordinance (Cap. 486) Personal Information Protection Law of the People's Republic of China
Group Policy on General Data Protection Regulation*	UK General Data Protection Regulation The Data Protection Act 2018
Group Policy on Personal Information Protection Law*	Personal Information Protection Law of the People's Republic of China Provisions on Promoting and Regulating Cross-border Data Flows
Group Tax Policy*	Applicable laws and regulations in all jurisdictions where the Group operates
Guideline of New Products Approval Procedures*	
Information Security Policy*	ISO/IEC27001 Information security, cybersecurity and privacy protection The C-RAF issued by the HKMA
Management Succession Policy*	/
Privacy Policy Statement*	Personal Data (Privacy) Ordinance (Cap. 486)
Remuneration Policy*	Supervisory Policy Manual CG-5 "Guideline on a Sound Remuneration System" issued by the HKMA
Supplier Code of Conduct	UN Universal Declaration of Human Rights Fundamental conventions of the ILO
Statement on Anti-Money Laundering and Counter-Financing of Terrorism	/
Staff Grievance Procedure*	/
Third Party Risk Management Guideline*	/
Whistleblowing Policy and Procedure*	/

Charters, Memberships, Awards, and Recognition

[GRI 2-28]

Charters

Charter/Scheme	Name of Association, NGO, Chamber	Year charter was adopted	Locations where charter is applicable
BEA			
Anti-Scam Consumer Protection Charter 2.0	HKMA & HKAB	2024	Hong Kong
Banking Industry Integrity Charter	ICAC	2024	Hong Kong
Charter on External Lighting	HKSAR Environment and Ecology Bureau (EEB)	2016	Hong Kong
Sustainable Procurement Charter	Green Council	2018	Hong Kong
Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme	Labour and Welfare Bureau, the Rehabilitation Advisory Committee, The Hong Kong Council of Social Services (HKCSS), and the Hong Kong Joint Council for People with Disabilities	2015	Hong Kong
Treat Customers Fairly Charter	HKMA	2013	Hong Kong

Memberships

Title Held / Level	Name of Association, NGO, Chamber
BEA	
Corporate (Full Member)	Asia Pacific Loan Market Association
Corporate	Asian Bankers Association
Corporate (Full Member)	The Chamber of Hong Kong Listed Companies
Corporate	The Hong Kong Institute of Bankers
Institutional Membership	Treasury Markets Association
Member	Hong Kong Green Finance Association
Member	World Savings and Retail Banking Institute
Member	The Hong Kong Association of Banks
Silver Member	WWF – Hong Kong
Coral Member	HKCSS
Chairman and Vice-Chairman of Executive Committee	St. James' Settlement
Chairman of the Advisory Board	The Salvation Army
Signatory Member	Green Investment Principles for the Belt and Road
Signatory Member	Partnership for Carbon Accounting Financials
Signatory Member	Net-Zero Banking Alliance
BEA China	
Deputy Director of the Foreign Bank Work Committee	China Banking Association (CBA)
Director (Corporate)	CBA
Director (Corporate)	Green Finance Committee, China Society for Finance and Banking
Director of the Foreign Bank Committee	Shanghai Banking Association (SBA)
Vice President	SBA
Vice President (Corporate)	SBA
Deputy Director General	Shanghai Financial Association (SFA)
Deputy Director General (Corporate)	SFA
Managing Director	Shanghai Finance Institute (SFI)
Managing Director (Corporate)	SFI

Memberships (continued)

Title Held / Level	Name of Association, NGO, Chamber
London Branch	
Member	Association of Foreign Banks
Member	The Guild of International Bankers
Member	The Hong Kong Association
Member	Hong Kong Economic and Trade Office
Member	Hong Kong Trade Development Council (HKTDC)
Member	Loan Market Association
Member	UK Chinese Bankers Association
Macau Branch	
Vice-Chairman of the Supervisory Board	The Macau Association of Banks
Singapore Branch	
Member	The Association of Banks in Singapore
Member	Institute of Banking and Finance Singapore
Member	The Singapore National Employers Federation
Taiwan Branch	
Managing Director	Hong Kong Business Association in Taiwan
Director	Association of Taiwan Listed Companies
BEA Trustees	
Member	Hong Kong Trustees' Association Limited
Member	The Hong Kong Retirement Schemes Association
GSC	
Member	Guangzhou Association of Service Trade & Outsourcing
Member	Guangdong Service Outsourcing Industry Association
Member	Guangzhou Volunteers Association
BEA Union Investment	
Chairman of the Executive Committee	Hong Kong Retirement Schemes Association
Director	RetireHK Limited
Society Secretary and Executive Director	CFA Society Hong Kong
Corporate Member	Hong Kong Retirement Schemes Association
Full and Overseas Member	Hong Kong Investment Funds Association
Member of the Executive Committee	Hong Kong Investment Funds Association
Signatory Member	United Nations Principles for Responsible Investments
Signatory Member	Climate Action 100+

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Awards and Recognition

Award	Awarding Body
BEA	
Anti-Scam Advancement Award	Hong Kong Police Force
Awarded as Super MDs in "Manpower Developer" until 2028	Employees Retraining Board
"Best Data Culture Award" in the DaLa Awards 2024	DaLa – Data Literacy Association
"Best Data Literacy Award (Grand – Triple Crown)" in the CTgoodjobs Best HR Awards 2024	CTgoodjobs
"Best ESG Report Award (Mid-Cap) – Commendation"	Hong Kong ESG Reporting Awards (HERA) Limited
"Best Employee Wellness Strategy – Silver Award" in the Employee Experience Awards 2024	Human Resources Online
"Best for Sustainability" in the Private Banking Awards 2024 Hong Kong	Euromoney
"Best in ESG Practices" in the TVB ESG Awards 2024	Television Broadcasts Limited (TVB)
"Best in ESG Report" in the TVB ESG Awards 2024	TVB
"Best SME's Partner Gold Award" in the 2024 Best SME's Partner Award	Hong Kong General Chamber of Small and Medium Business
"Certificate of Excellence" in the Hong Kong Sustainability Award 2024	The Hong Kong Management Association
Commendation Scheme on Source Separation of Commercial and Industrial Waste 2023/24 – "Certificate of Merit (Mixed Office)" for The Bank of East Asia Building and "Certificate of Merit (Pure Office)" for 33 Des Voeux Road Central	HKSAR Environmental Protection Department
Commendation Scheme on Source Separation of Commercial and Industrial Waste 2023/24 – "Award for Enhancement" for 33 Des Voeux Road Central	HKSAR Environmental Protection Department
"Diamond Award" in the Corporate & Employee Contribution Programme 2023/2024 (for the 30th consecutive year)	The Community Chest of Hong Kong
"Energywise Certificate – Excellence Level" for The Bank of East Asia Building and "Good Level" for BEA Tower	Environmental Campaign Committee
"ESG Environmental Innovative Technology Award" in the TVB ESG Awards 2024	TVB
"ESG Social Innovative Technology Award" in the TVB ESG Awards 2024	TVB
"Employer of the Year (Grand Award)" in the CTgoodjobs Best HR Awards 2024	CTgoodjobs
Effective Collaboration with Police "Scam Response Team" Award	Hong Kong Police Force
Effective Regtech Application Award	Hong Kong Police Force
"Excellence in Environmental Sustainability Initiative" in the Hong Kong Sustainability Award 2024	The Hong Kong Management Association
Exemplary Efforts in Upstream Scam Intervention Award	Hong Kong Police Force
Financial Services Award of Excellence 2024 – SME Financing	Hong Kong Economic Journal
GIP Best Green Transaction Award	Green Investment Principles for the Belt and Road
"Greater Bay Area ESG Excellence Enterprise Award" in the TVB ESG Awards 2024	TVB
"Hong Kong Green Organisation Certification" for The Bank of East Asia, Limited and The Bank of East Asia Building	Environmental Campaign Committee and HKSAR Environment and Ecology Bureau
"Honorable Mention Award" in the 2024 Greater Bay Area Green Finance Best Practice Case Award	Greater Bay Area Green Finance Alliance
"IAQwise Certificate – Excellence Level" for The Bank of East Asia Building and BEA Tower	Environmental Campaign Committee
"Indoor Air Quality Certificate – Excellent Class" for The Bank of East Asia Building and BEA Tower, and "Good Class" for 33 Des Voeux Road Central	HKSAR Environmental Protection Department
ISO 10002:2018 – Complaint Management System for Provision of Financial Products and Services in Hong Kong	SGS Hong Kong Limited
"Joint Energy Saving Award" in the CLP Smart Energy Award 2024	CLP Power Hong Kong Limited

Awards and Recognition (continued)

Award	Awarding Body
BEA	
"Mentor Pioneer Award for ESG Connect" in the Hong Kong Green and Sustainable Contribution Awards 2024	HKQAA
Named "Caring Company" (for the 21st consecutive year)	The Hong Kong Council of Social Service
Natural Christmas Trees Recycling Programme Certificate of Appreciation 2023-24 – The Bank of East Asia, Limited	HKSAR Environmental Protection Department
"Outstanding Award for ESG Disclosure Contribution" in the Hong Kong Green and Sustainable Finance Awards 2024	HKQAA
"Outstanding Award for Green and Sustainable Loan Structuring Advisor (Industrial Sector) – Visionary Green Loan Framework" in the Hong Kong Green and Sustainable Finance Awards 2024	HKQAA
Peach Blossom Trees Recycling Programme Certificate of Appreciation – The Bank of East Asia, Limited	HKSAR Environmental Protection Department
"Quality Water Supply Scheme for Buildings – Flushing Water (Management System – Gold)" for BEA Tower	HKSAR Water Supplies Department
"Quality Water Supply Scheme for Buildings – Fresh Water (Management System) – Gold" for the Bank of East Asia Building, BEA Tower, 33 Des Voeux Road Central	HKSAR Water Supplies Department
SME Engagement (China Greater Bay Area) – Outstanding Performance	Bloomberg Businessweek (Chinese Edition)
Special Mention for Corporate Governance in the Non-Hang Seng Index-Constituent Companies (Medium Market Capitalization) Category in the Best Corporate Governance and ESG Awards 2024	Hong Kong Institute of Certified Public Accountants
"Wastewi\$e Certificate – Excellence Level" for The Bank of East Asia, Limited, The Bank of East Asia Building and 33 Des Voeux Road Central, and "Good Level" for BEA Tower	Environmental Campaign Committee
Singapore Branch	
Excellent Service Award	The Association of Banks in Singapore
BEA China	
15 th China Golden Tripod Award – Five Articles on Finance Annual Outstanding Green Finance Case by National Business Daily	National Business Daily
2024 GBA Growth Financial Institution	21 st Century Business Herald
2024 Public Welfare Project Award	The 14 th Philanthropy Festival
2024 Special Contribution Award for Public Welfare	The 14 th Philanthropy Festival
Best Innovation in Asia-Pacific-China	Global Finance
Best Online Product Offerings in Asia-Pacific-China	Global Finance
Best Practice Award in Data Governance	DAMA China
Best User Experience (UX) Design in Asia-Pacific-China	Global Finance
Excellent case of digital transformation in Shanghai's banking industry	SBA
Global Best User Experience (UX) Design	Global Finance
Innovation Case of Cross border Financial Services in Shanghai Banking Industry	SBA
Institutional Contribution Award of Shanghai Banking Industry	SBA
Office of The Finance Committee of The CPC Shanghai Pudong New Area Committee	Carbon Emissions Calculation and Disclosure Pilot Financial Institution in Pudong New Area
Shanghai Banking Industry Excellent Professional Committee	SBA



Verification Statement

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by The Bank of East Asia, Limited ("BEA") to conduct an independent verification for its Sustainability Disclosures (the "selected disclosures") stated in its 2024 Environmental, Social and Governance Report ("the Report"). The selected disclosures covered the period from 1 January 2024 to 31 December 2024 and represented the sustainability performance of BEA.

The objective of this verification is to provide an independent opinion with a reasonable level of assurance on whether the selected disclosures are prepared in accordance with the following reporting criteria:

- the Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31 December 2023, which remains applicable to reports for financial years commencing before 1 January 2025); and
- the Global Reporting Initiative's Sustainability Reporting Standards ("GRI Standards 2021")

The verification team also reviewed the disclosures in the Report by making reference to the following disclosure frameworks, as the Report has been prepared with references to:

- International Financial Reporting Standards S2 Climate-related Disclosures ("IFRS S2")

Level of Assurance and Methodology

HKQAA's verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a reasonable level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying BEA's materiality assessment process;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism

Roles and Responsibilities

BEA is responsible for the organization's information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by BEA for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between BEA and HKQAA.



Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and BEA that would affect the impartiality of the verification.

Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

- I. Our verification scope is limited to verifying the transcription/transformation of the raw data or information into the selected disclosures, e.g., Claims and Performance Data stated in the Report. The identified sustainability Information may be subject to inherent uncertainty because of incomplete scientific and technical knowledge.
- II. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.
- III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.
- IV. Any information outside the established verification period has been excluded.

Conclusion

1. Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a reasonable level of assurance, the report has been prepared, in all material aspects, in accordance with the ESG Guide and GRI Standards 2021.
2. The verification team reviewed the Report with reference to the IFRS S2 and considered that the Report has been prepared by making reference to the contents or parts of the contents of the aforementioned disclosure frameworks.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
February 2025
Ref: 14949355-VER

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