

# Promoting Cooperation in Achieving Sustainable Development Goals

**Presented to the ABA Policy Advocacy Committee by:**

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# United Nations Sustainable Development Goals (SDGs)



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# SDG 13 - Combat Climate Change and Its Impacts

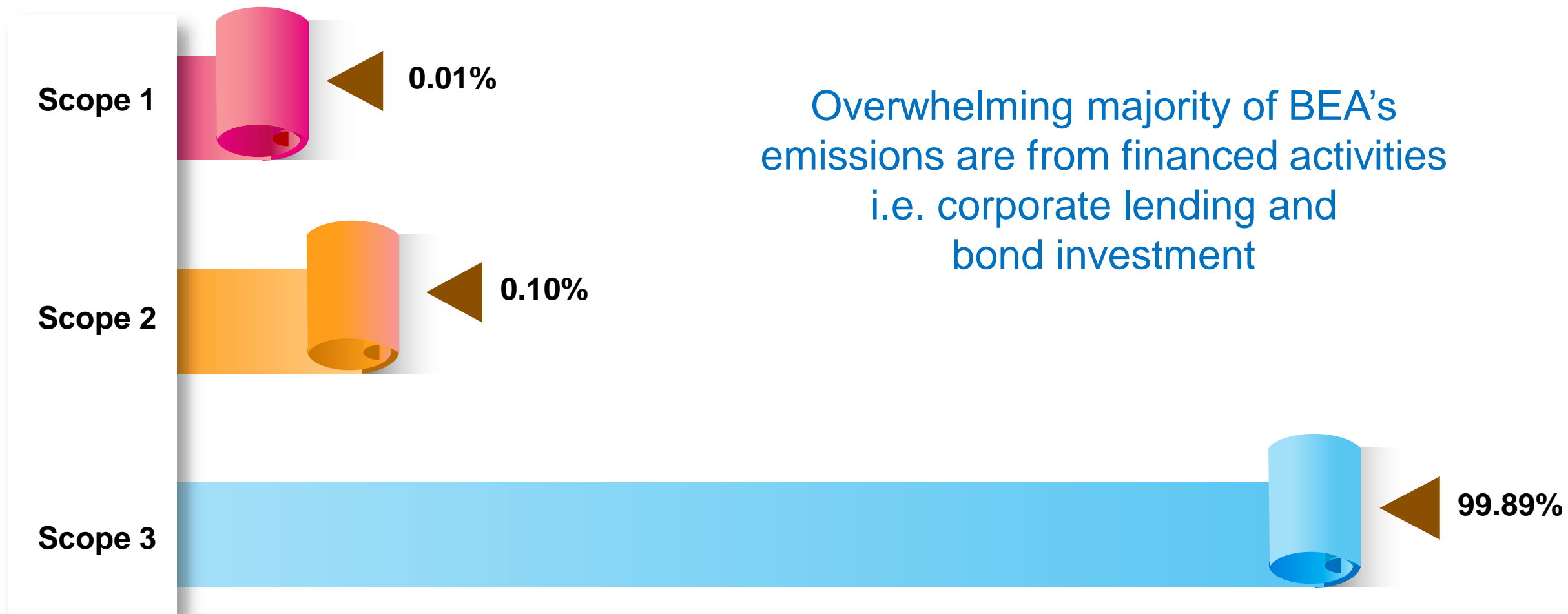
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## 5 targets to be achieved by 2030:

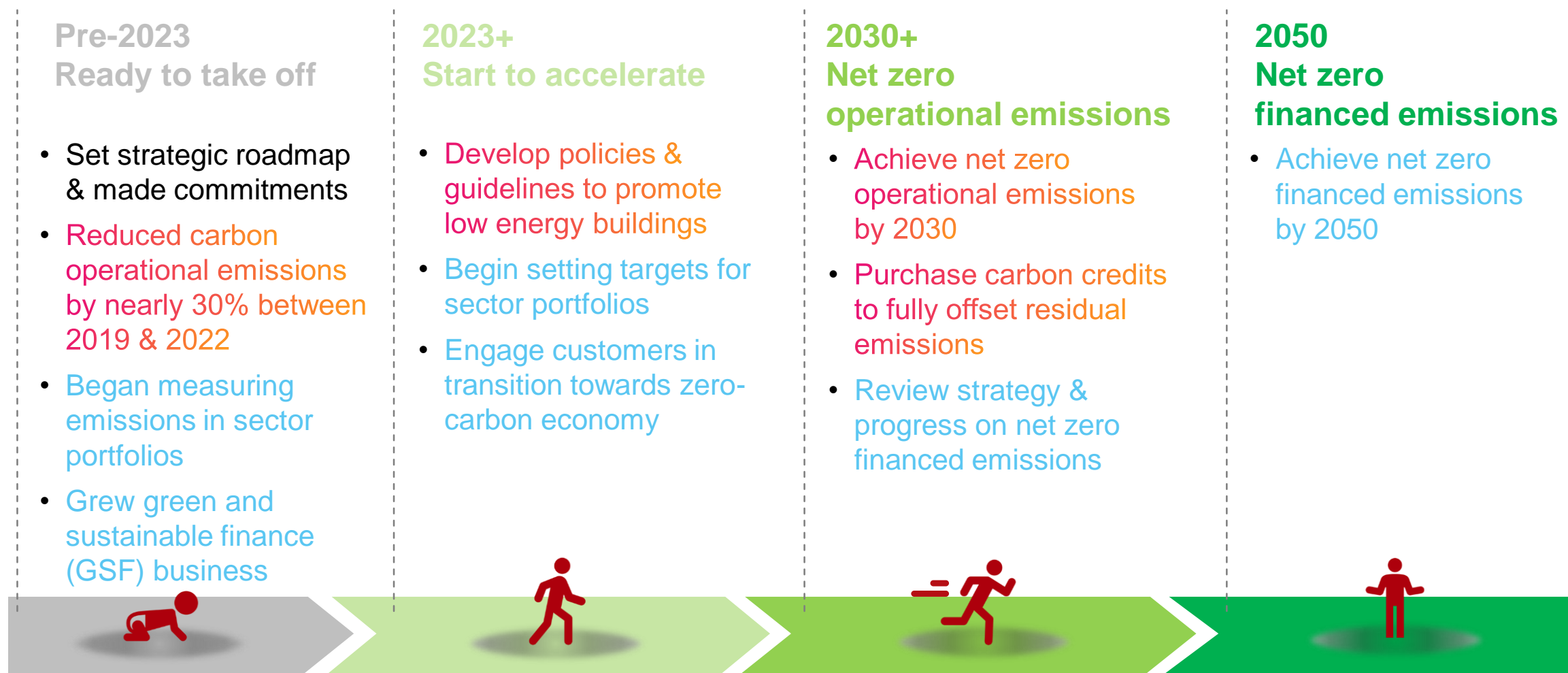
1. Strengthen resilience and adaptive capacity
2. Integrate climate change measures into national policies, strategies and planning
3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
4. Implement the UN Framework on climate change
5. Raise capacity for climate-related planning and management



# BEA's Scope 1-3 emissions (in terms of tons CO<sub>2</sub>-eq)



# BEA's Net Zero Journey (with reference to SBTi and the Paris Accord)

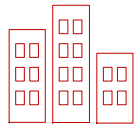


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# How Does BEA Plan to Achieve Net Zero Operational Emissions?

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## BEA's Scope 1 & 2 Roadmap



LOW-ENERGY BUILDING  
AND ENERGY TRANSITION

### ***“The Hardware”***

Establish a Sustainable Building Policy, guidelines, and deployment plan **to implement the prioritised measures.**



INSTITUTIONAL CHANGE

### ***“The Software”***

Provide the **right incentives, support, technologies, and tooling to colleagues** to enable and drive carbon reduction behaviours.



CARBON NEUTRALISATION

### ***“The Financial Instrument”***

**Reduce GHG emissions as far as possible**, and offset residual emissions via an approved carbon offset scheme governed by **Carbon Offsetting Guidelines.**

# How Does BEA Plan to Achieve Net Zero Financed Emissions?

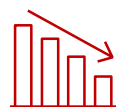
## BEA's Scope 3 Roadmap



CLIMATE FINANCING  
STRATEGY

### *“Internal Strategy”*

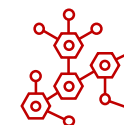
Measure emissions, develop targets and integrate into the business framework to guide financing.



CUSTOMER  
TRANSITION PLAN

### *“External Engagement”*

**Embed climate transition** in client assessment and engagement, and build partnerships with clients.



CLIMATE AND ESG DATA

### *“Uplift of data quality”*

**Improve data quality, coverage,** and set up technical tools to **automate** the process over time.

# BEA's Green and Sustainable (GSF) Framework

Launched in 2022, BEA's Green and Sustainable Finance ("GSF") framework aims to establish a consistent methodology and associated procedures to identify and finance green projects and activities across the Bank Group.

## ESG Checklist

guide the identification of inherent ESG risks and ratings, and facilitate the collection of relevant climate data

## List of External Reviewers

serves as a directory of the external parties approved by the Bank to help review/verify/certify the BEA's GSF deals

## Sector Policies

provide guidance on how to differentiate the green and brown activities within the high carbon intensive sectors



## List of Prohibited Lending

sets forth the types of transactions for which BEA will not knowingly extend financing

## Sectorisation List

classifies sectors into green and brown (i.e. high emission) categories



# Sector Policies Help Determine Greenness

Provide guidance to differentiate green and brown activities within high carbon intensive sectors.

## Current

- 1 Property Development
- 2 Power Utilities
- 3 Energy (Oil & Gas)
- 4 Metals & Mining
- 5 Transportation
- 6 Construction
- 7 Manufacturing (Chemicals)

**Collaborative efforts with Business Units and Sustainability Department**

**A Work Stream has been formed to develop BEA's GSF framework.**

### Sector specific guidelines

- Classification of green and brown industries
- Qualification criteria for green finance
- Requirements for external certification



## Going Forward

### Enhanced criteria

- Classification of green activities supported by commonly recognised technical metrics and thresholds (alignment with HKMA's green taxonomy to be rolled out)

### Guidelines and procedures for engaging clients to build climate resilience

- Establishing transition plan with clients, e.g. energy efficiency improvement, carbon emission reduction, to align with the Bank's science-based net zero targets

### Mitigation measures for higher risk clients

- Stringent lending terms (e.g. pricing, tenor, LTV etc.)

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# SDG 10 - Reduce inequality within and among countries

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## 10 targets to be achieved by 2030:

1. Reduce income inequalities
2. Promote universal social, economic and political inclusion
3. Ensure equal opportunities and end discrimination
4. Adopt fiscal and social policies that promote equality
5. Improved regulation of global financial markets and institutions
6. Enhanced representation for developing countries in financial institutions
7. Responsible and well-managed migration policies
8. Special and differential treatment for developing countries
9. Encourage development assistance and investment in least developed countries
10. Reduce transaction costs for migrant remittances



# Digital Financial Literacy in Hong Kong



While many retirees use smartphones to communicate, their low digital financial literacy could make them vulnerable to online scams.

# Financial Literacy at BEA

## “Peer Buddy” Programme

- Launched in 2021, the programme aims to encourage customers aged 60-70 to adopt digital banking services.
- Retired staff members and branch staff introduce digital banking services to target customers visiting the branches.
- By walking customers through the services step by step, demonstrating the convenience of digital banking, and addressing any security fears, BEA’s peer buddies promote digital banking literacy among older customers.



# Thank You