



HONG LEONG BANK GROUP SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Updated: October 2022

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Introduction

Purpose

There is a growing need for organisations to embed sustainability ideals in ensuring the long-term viability of businesses. As it continues to evolve, it is vital for the Bank to continue growing its business in a sustainable and environmentally friendly manner through conscious consideration of potential impacts on our stakeholders, communities and the planet.

This drives us to advance in tandem with these sustainability developments and aspirations. Our dedication and efforts in promoting sustainability both in our business operations as well as to our suppliers and customers has provided us with the foundation to achieve our responsibilities with regard to ESG, and in doing so, align with investor expectations and regulatory requirements.



Our sustainability journey is guided by deep and meaningful engagements with stakeholders to ensure that all of our sustainability initiatives and policies are aligned with business objectives and are consistent with the bank's values. Consequently, we have progressed in integrating ESG considerations into our daily business practices, products and services, and in our interactions with business partners and with our customers.

The Hong Leong Bank Group (HLBG) Sustainability Risk Governance Framework addresses potential ESG or climate-related risks that may arise during the implementation of our business strategies, policies and initiatives. This framework provides a structured approach towards identifying, evaluating, quantifying, monitoring, mitigating and reporting of ESG and climate-related risks. It acts as a guide for us to adopt pragmatic measures to ensure sustainable value to our stakeholders is delivered whilst generating a positive impact to the communities and environments that we operate in. As the Bank's sustainability approach evolves, we hope to continue to improve transparency in our practices and policies as well as improve communication with our stakeholders.

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HLB Sustainability Themes

HLB Sustainability Themes	Material Topic	Description
 Digital at the Core	Digital Banking	Digitising products and services, ensuring our offerings are tightly aligned to customers and market place changes; therefore, increasing competitiveness by providing seamless financial solutions to consumers and customers, underpinning business sustainability.
	Cyber Security & Data Privacy	Protecting our organisation and customer data from unauthorised access, attacks or threats aimed at exploiting personal confidential customer and proprietary data, promoting trust and confidence in our business operations.
	Customer Experience	Placing customers at the centre of all we do. Customer-focused experiences in our banking operations, will continue to meet customer's dynamic demands, delivering the highest level of customer satisfaction in our high quality, innovative products and services.
 Workforce Readiness	Talent Attraction, Development and Retention	Encouraging a growth mind-set in our employees by providing 'anytime, anywhere' learning and development opportunities. Empowering our people to continuously develop skills that equip them for ever-changing business and technological landscapes. Continuing to attract, develop and retain the best talent while embracing the fundamental need to drive change so that we remain competitive, and the business thrives, providing growing employment opportunities.
	Employee Well-being, Health and Safety	Creating an optimum and positive work environment which supports employee safety, promotes their well-being and enables work-life balance to create a healthy and engaged workforce.
	Diverse and Inclusive Workforce	Embracing diversity and cultivating an inclusive workforce provides access to a greater talent pool and attracts the best talent. A diverse and inclusive workforce provides equal opportunities and equal pay for the same work, fosters creativity and innovation, which is crucial to the business' long-term success.

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HLB Sustainability Themes	Material Topic	Description
 Socially Responsible Business	Responsible Financing	Develop innovative products and services that incorporate ESG and sound sustainability considerations that will promote our contribution to sustained community growth and reduced environmental impacts, whilst ensuring sound business models.
	Fair Banking	Offering products and services that meet customers' expectations, are fair and responsible and take into consideration the interests of our customers and the Bank.
	Sustainable Supply Chain	Screening and assessing our suppliers to ensure they are in compliance with the relevant laws and regulations as well as meet our economic, social and environmental assessment requirements before onboarding, and during annual reviews. Assisting our suppliers to enhance their mitigation plans on identified ESG risks and disclosure of such risks.
	Financial Inclusion	Efforts to promote and facilitate financial literacy, inclusiveness and accessibility to financial services for the underserved or unserved individuals and businesses, alleviating financial hardships and thus enhancing opportunities for all.
	Good Governance	Committed in conducting our business and operations professionally, while adopting the highest standards of ethics, integrity and compliance. Investing in people, technology, policies and processes to ensure a fit-for-purpose governance framework and robust operational readiness to prevent financial crimes such as money laundering, terrorism financing, fraud, bribery and corruption.

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HLB Sustainability Themes	Material Topic	Description
 Environmental Management	Addressing Climate Impact	<p>Identifying and integrating climate-related risks into HLB's strategies, business operations and across our value chain through our risk management framework.</p> <p>Reviewing and refining our corporate ESG framework to allow us to better manage our portfolios and transitioning customers to climate change resilient business operations.</p>
	Managing our Environmental Footprint	<p>Using the planet's resources efficiently to reduce Greenhouse Gas ("GHG") emissions and carbon footprint whilst reducing reliance on material resources through the inculcation of responsible consumption in our operations.</p> <p>Working with customers and partners to ensure continuous improvements and best practices adaptations</p>
 Community Investment	Building Communities	<p>Supporting local communities through initiatives that foster social entrepreneurship and conducting social outreach programmes that provide access to financial education and welfare, whilst empowering the community with knowledge, skills and tools needed to secure economic development and advance their quality of life, creating long-term positive social impacts.</p>
	Financial Literacy	<p>Improving understanding of financial services, including Islamic finance, through knowledge sharing and financial literacy programmes aimed at driving inclusiveness by assisting and empowering the community to achieve financial goals.</p>

Table 1: HLB Sustainability Themes and descriptions

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Governance



Diagram 1: Sustainability Risk Governance

Risk Management Governance Structure

Our organisation is built around robust risk governance mechanisms and already possesses a well-established Sustainability Risk Governance Framework for the management of ESG risks. In recent years, we have stepped-up our efforts in addressing climate change by progressively embedding climate considerations into these existing risk management mechanisms. This effort exemplifies our commitment to create a more holistic ESG risk governance approach.

SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Risk Management Governance Structure (cont'd)

Strategic sustainability priorities are set by the Board of Directors who are responsible for ensuring sound governance and effective oversight of the Bank's Sustainability Strategy. They delegate the review of management's implementation of the Bank's Sustainability Strategy to our Board level Risk Management Committees (BRMC).

The Sustainability Committee (SC) and Sustainability Working Committee (SWC) are both responsible for the implementation of Sustainability strategies and in managing and mitigating identified ESG risks which includes physical and transition risks. Management provides periodic reporting to the BRMC on execution statuses as well as the results attained. This is coordinated and monitored by both the Sustainability department and the Sustainability Risk department.

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Three Lines of Defense

The Three Lines of Defense model promotes control mechanisms for risk management. It defines clear lines of accountabilities and risk ownership across all areas of the Bank to ensure entrenched and effective management of ESG risks.

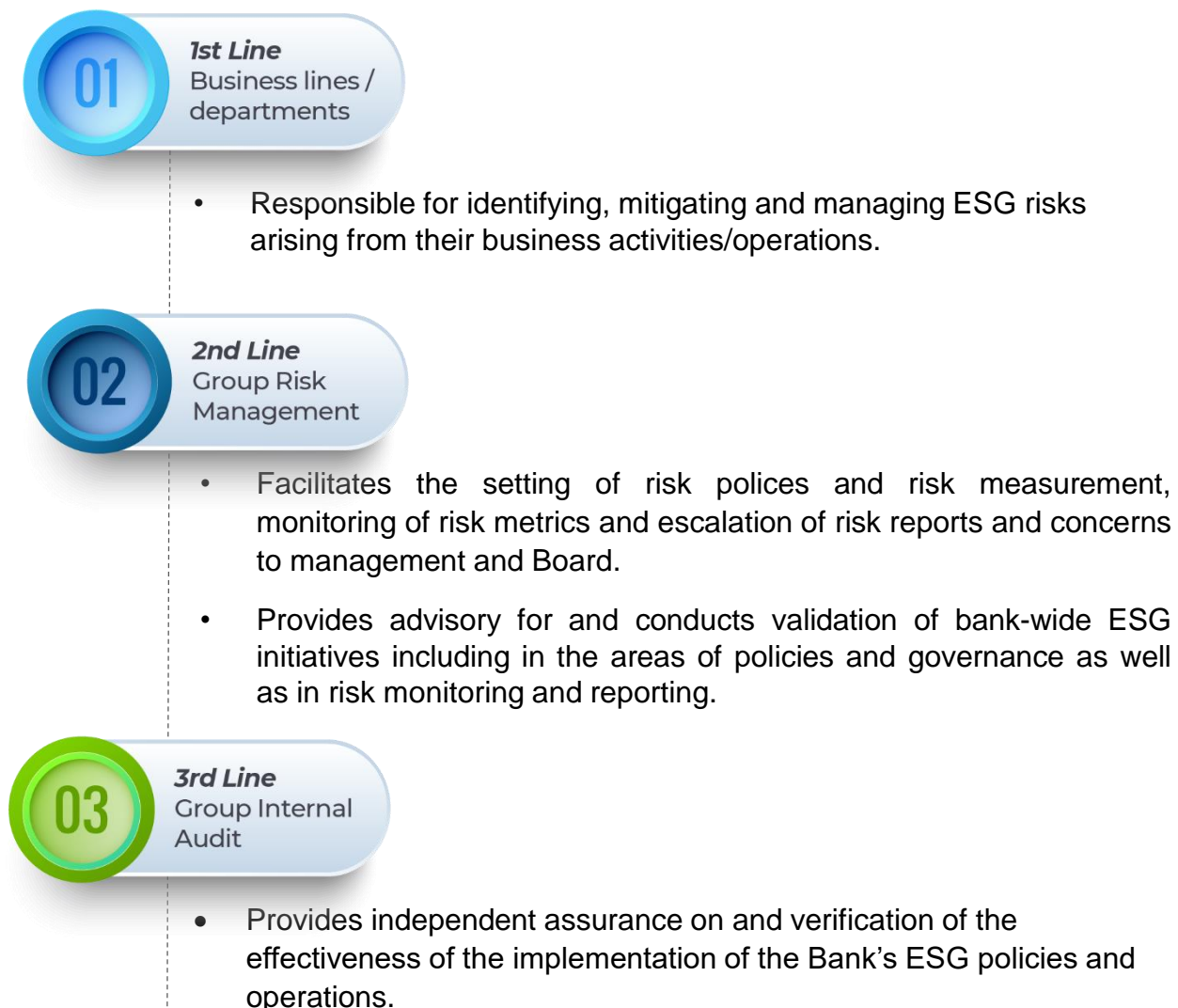


Diagram 2: Roles and Responsibilities of the Three Lines of Defense Model

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Risks to Achievement of Goals



Diagram 3: Risks to Achievement of Goals

Our strategy towards mitigating sustainability risks involves managing the exposures and impediments that prevent the achievement of our corporate objectives, while ensuring that the outcomes of said mitigation are in line with our Sustainability Themes as published in the Bank's 2022 Sustainability Report (Diagrammatically and summarily represented in Table 1 in page 2 to 4).

SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Approach to Risk Management

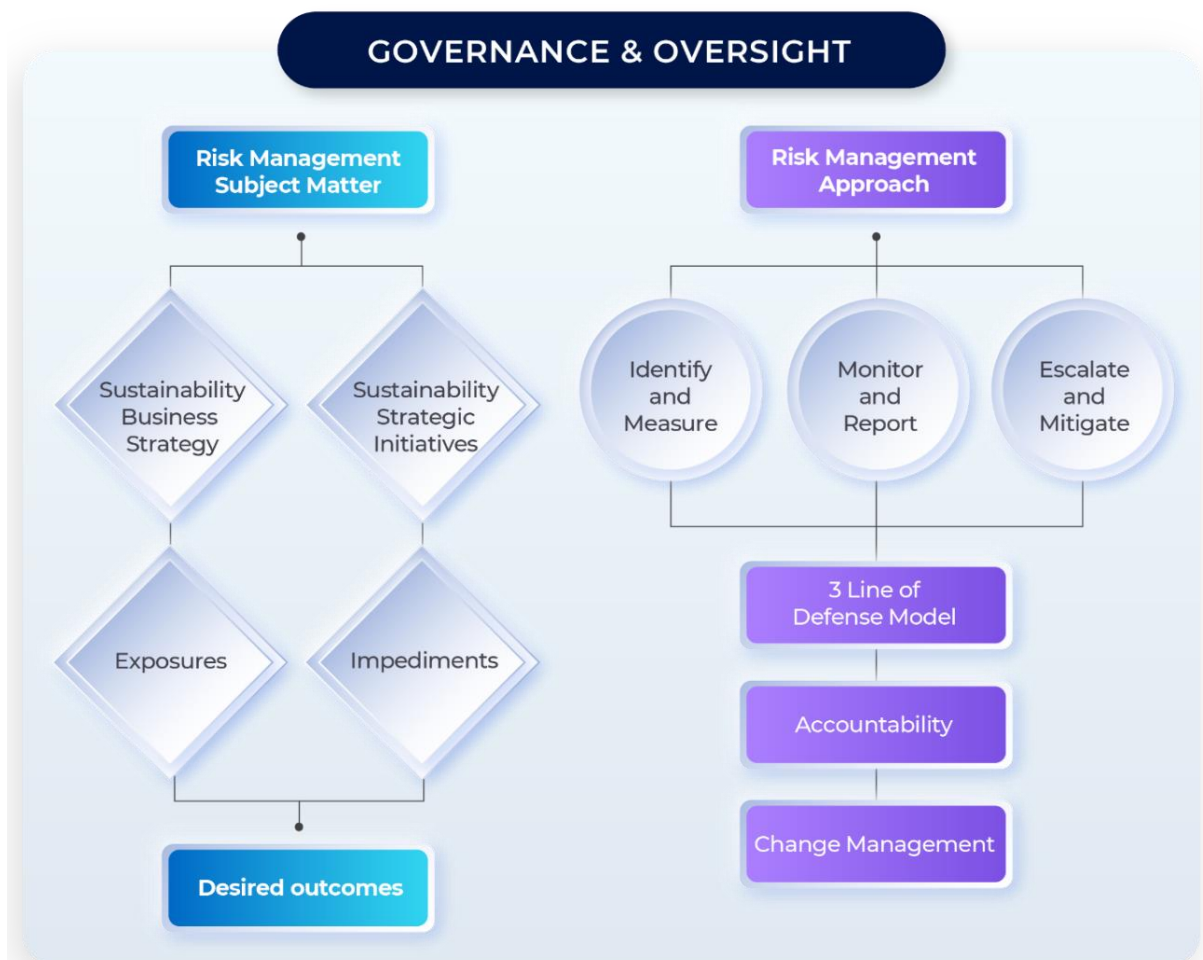


Diagram 4: Sustainability Risk Governance Framework

To determine the exposures and impediments towards the Bank's achievement of its corporate objectives, a structured risk management approach, as depicted in the diagram above, is taken, and that includes the first step of identifying and measuring the relevant risks.

The Bank is guided by the Framework in taking pragmatic steps to ensure it delivers sustainable value to our stakeholders whilst creating a positive impact to the communities and environments we operate in.

SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Risk Appetite

ESG risk will inherently increase in materiality to us, thus, the Bank's BRMC has taken an essential step to endorse the incorporation of qualitative ESG considerations as part of the institution's Risk Appetite Statement ("RAS").

This elevation of ESG risk is a key step forward for us, as it ensures that the decisions made throughout the organisation will consider ESG risks, which will innately support our sustainability efforts.

Moving forward, we are in the process of quantifying the impacts of our ESG risks, which will allow us to establish baselines from which realistic and meaningful targets can be created.

SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Sustainability Risk Management Tools

Upon the identification and prioritisation of the risks, the next step in the framework is the measurement and management of those risks. We adopt a bifurcated risk approach in which qualitative and quantitative metrics are taken into consideration.

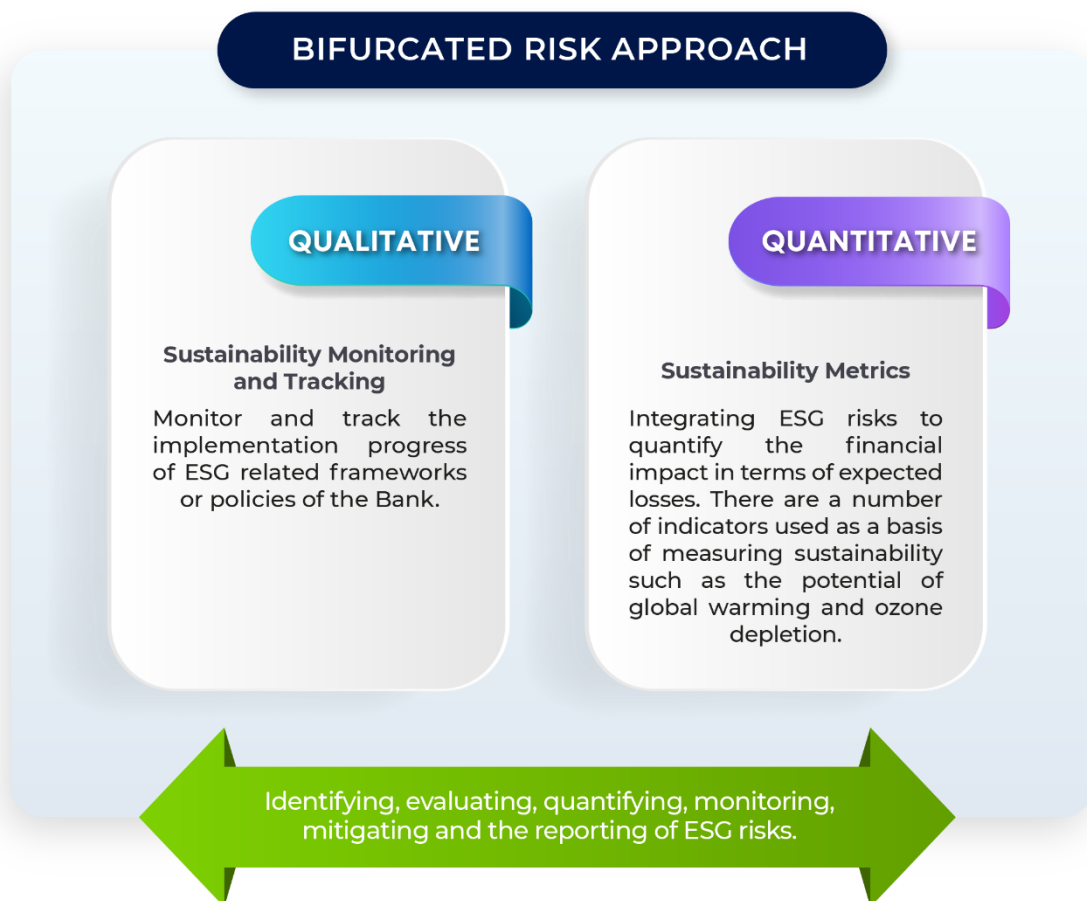


Diagram 5: Sustainability Risk Tools and Approach

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Environmental & Social Due Diligence Assessment

We adopt an inclusive approach whereby the Bank will guide existing high Environmental & Social (“E&S”) corporate customers towards achieving more sustainable business practices and standards through supporting them in mitigation plans and nurturing programs. We are cognisant that financial institutions play an important role in promoting economic sectors that are better aligned to lower carbon emissions and/or better climate-related outcomes.

In relation to the classification of risk timeline for our customers, we will continue to take proactive and pragmatic measures according to the extent to which the activities or exposures meet the climate-related risk objectives.

The E&S inherent risks of each sector are identified and classified as either “low”, “medium” or “high” risk. Customers that fall within the high E&S risk sectors will undergo E&S due diligence assessment to evaluate their ability and plans to mitigate climate-related risks that they are exposed to. As a result, the customers’ rating may be migrated to a “medium” or “low” risk rating.

Our objective is to transition our SME, commercial and corporate customers from the “high” to “medium” or “low” risk rating. As we have embarked on our data collection journey, this will enable the Bank to develop fit-for-purpose products and services that serve to promote sustainable business practices and models. The entire process promotes a cultural shift in making ESG a prime consideration in our credit assessment.

Note: Refer to the HLB Business & Corporate Banking (BCB) Environmental, Social & Governance Policy for further details.

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Sustainability Risk Monitoring Report

We seek to remain adaptable in dealing with ESG efforts and initiatives amidst an ever-evolving landscape of sustainability trends and regulations. To that extent, we have been developing Sustainability Risk Monitoring Reports to track Bank-wide ESG initiatives and their implementation progress. The Sustainability Risk Monitoring Reports are also aimed at facilitating input and deliberations on significant impacts and opportunities that revolve around the initiatives, which are then periodically presented at the SC and BRMC.

The Bank is currently in the midst of identifying our climate-related risks namely physical and transition risk. Due to the progressive nature of data within the ESG ecosystem and the climate-related risks involved, we will continue to refine and enhance our systems, data collection and methodologies to establish appropriate baselines for which targets can be ascertained, monitored and reported. Moving forward, the Bank will progressively add granularity and update external client and industry data as these become available over time which will guide us to further refine metrics and targets alongside meeting disclosure requirements set by regulators.

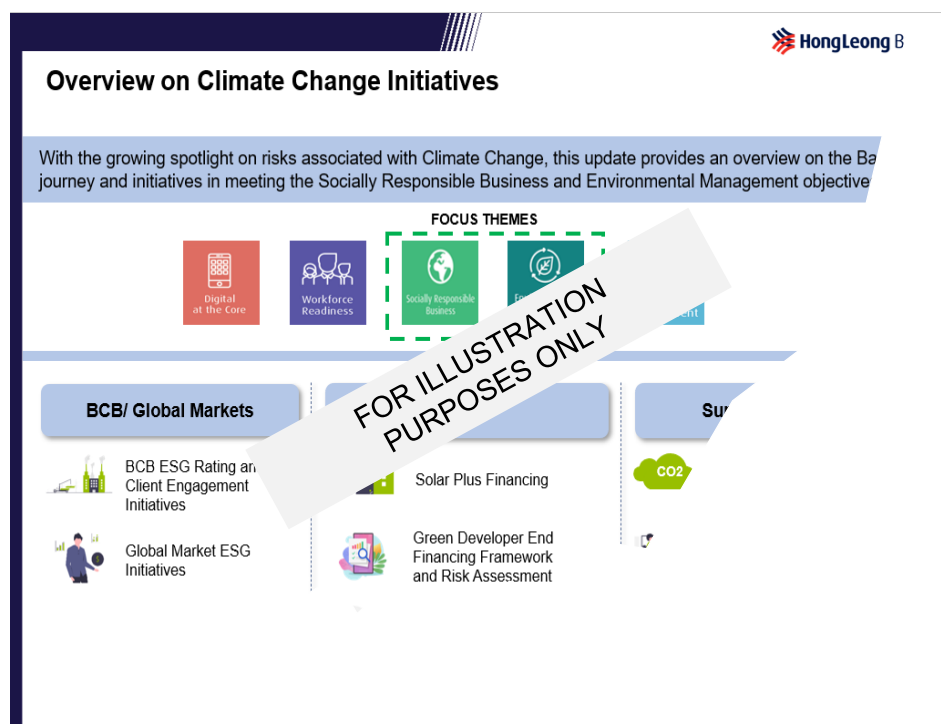
The Bank has participated in the inaugural Bank Negara Malaysia (“BNM”) Climate Change Principle-based Taxonomy (“CCPT”) regulatory reporting for both HLBB and HLISB. The BNM CCPT classification process has assisted the Bank to map customers based on our internal classification of their risk profile of low, medium or high risk to the BNM CCPT C1 – C5 classification of economic activities.

SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Sustainability Risk Monitoring Report (cont'd)

The Bank's internal classification of risk profile of low, medium or high risk for our customers has assisted the Bank to map customers with the BNM CCPT C1-C5 classification of economic activities.

The BNM CCPT publication has guided the Bank in classifying our exposures more systematically in the areas of our core business operations through our business and corporate banking segment, property mortgages and auto financing as well as our financial investments within the market.



Snapshot 1: Extract of the Sustainability Risk Monitoring Report

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Sustainability Risk Assurance

The Sustainability Risk Assurance exercise involves conducting an independent review of the Bank's credit evaluation processes on business customers as well as programmes to promote sustainable practices in our operations. It seeks to validate whether our internal processes relating to review of our customer's sustainability profile and standards are being complied with in our customer onboarding, credit underwriting or other client financial facilitation process and certifications relating to ESG.



Snapshot 2: Extract of the Sustainability Risk Assurance exercise

In 2021, the Independent Credit Review Function incorporated ESG aspects as a material assessment item within its Post Credit Approval Review of the Bank's corporate portfolio. Example questions include, whether the company falls under the sensitive or high risk environmental sector as

per the Business & Corporate Banking ("BCB") Credit Management Policy, whether or not an ESG Enhanced Due Diligence Assessment has been conducted, whether certifications are in place and whether or not the ESG rating given was justifiable.

As part of the Bank's efforts to manage the environmental and social risks, we have integrated ESG aspects into our policies, procedures, and checklists such as in the Procurement Policy, Outsourcing Policy, Board Policy on Credit Risk Governance, Board Policy on Products and Value Propositions, BCB Credit Management Policy, Management Policy on Reputational Risk, Risk and Control Assessment Questionnaire ("RCAQ").

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Stress Testing / Scenario Analysis

Climate-related scenario analysis portrays the Bank's level of resilience to climate-related risks. The results of these exercises will help us establish preventive or corrective actions that will help the Bank respond to the risks imposed by these climate-related risks. In FY2022, there have been numerous guidelines and policies circulated by regulators to prompt organisations to prioritise embedding climate-related aspects into their scenario analysis exercise.

The Bank has considered climate-related risk aspects within its scenario analysis exercise, examples of which are the rising of global temperature and its impact on our loan/financing portfolios. We adopt preventive or corrective actions to mitigate these undue risks under simulated stresses, which includes the formulation of ESG frameworks or policies, from both business and operational perspectives, to ensure that the Bank is equipped with the necessary strategies and mitigation plans to manage climate-related risks.

In efforts to enhance its climate-related strategies and initiatives, the Bank is considering the application of reference scenarios published by the Network for Greening the Financial System ("NGFS") as a first step towards quantifying climate risks and uncertainties under various hypothetical scenarios.

In conducting climate stress testing, the Bank will take guidance from the Climate Risk and Scenario Analysis Exposure Draft as well as the Discussion Paper on the 2024 Climate Risk Stress Testing Exercise to ensure that the Bank strengthens the management of financial risks stemming from climate change to enhance the resilience of the financial sector against climate-related risks and to facilitate an orderly transition to a low-carbon economy.

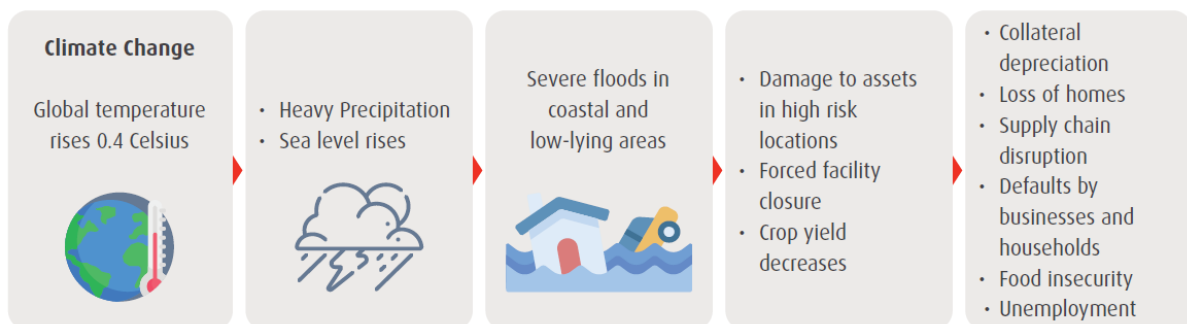
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Stress Testing / Scenario Analysis (cont'd)

We are cognisant of the challenges in translating transition and physical impact to financial risks, as well as the gaps in mapping scenarios to economic sectors, ensuring coherence and quantifying uncertainty. However, we make an attempt to quantify and apply ESG stress within our Stress Testing exercise, and are in the initial stage of determining and collecting data to determine the respective physical and transition risks.

Guidance within NGFS, Intergovernmental Panel on Climate Change (“IPCC”) and International Energy Agency (“IEA”) is being adapted both globally and domestically. While application of its content is imminent, the availability of information and systemisation of data collection will take time.



Snapshot 3: Extract of the Stress Testing Scenarios

In the event that the temperatures rise by 2 degrees Celcius, there may be significant impact to the environment, community, customers we do business with and the ecosystem. Negative consequences such as the following, may arise:

SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Stress Testing / Scenario Analysis (cont'd)



Severe Heatwave/Draught

Extreme El Nino events may arise, which could result in a decline in yields of rice and cash crops, declining biodiversity, coral reef bleaching and forest fires etc. These are progressively reflected in our stress testing/ scenario scoping and analysis. The impact is not material at the current juncture due to the highly diversified portfolio composition of the Bank and the small discrete exposures (relative to portfolio) at individual obligor levels.



Rising Sea Levels

Sea levels are projected to rise by 0.36 – 0.87 meters by year 2100. The repercussion of this event will eventually lead to flooding in coastal areas, soil contamination with salt and loss of aquatic, flora and bird's habitats. The impact is not material in the current term and potential future term effects are progressively being mitigated with the introduction of the climate risk management initiatives of the Bank where new financial underwriting across business and consumer banking is assessed against said climate change risks.

To mitigate the undue risks under simulated stresses, the Bank takes preventive or corrective measures, including the formulation of ESG frameworks or policies to ensure that the Bank is well-equipped with the necessary strategies or mitigation plans to manage climate-related risks.

Moving forward, the Bank aims to integrate global temperature rises in future stress test exercises as it could lead to negative consequences such as collateral depreciation, stranded assets, supply chain disruption, loss of income, and defaults.

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Climate-related disclosures

Our climate-related disclosures have been further guided by the Recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) along with the recently released TCFD Application Guide for Malaysian Financial Institutions and implementation of the CCPT regulatory reporting.

Through these frameworks and guidelines, we have sought to communicate the impact of our ESG performance via metrics and targets we believe to be relevant for our financial services industry.

In 2021, the Bank, together with other pilot Malaysian Banks, contributed to the development of the BNM CCPT and are actively involved in its implementation through the industry group meetings and deliberations. Through this, the Bank has provided constructive feedback and suggestions to enable greater clarity and ensure a standardised approach in adopting the BNM CCPT classifications.

In 2022, the Bank collaborated with our Joint Committee on Climate Change (“JC3”) peers, leading to BNM’s release of the TCFD Application Guide for Malaysian Financial Institutions that revolve around four thematic areas; Governance, Strategy, Risk Management and Metrics and Targets.

SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Climate-Related Risks and Opportunities

Based on our climate-related risk assessment, our assets and operations are exposed to physical, transition and liability risks. These risks may potentially have financial and non-financial impacts on our business and portfolio exposure.

We classify climate-related risks by time horizons of 5-year intervals, which is in line with the Paris Agreement whereby each participant is required to communicate their NDC every 5 years. In addition, we further take into account repayment behaviour maturity of our loan/financing portfolios, which typically last from 4 to 15 years, depending on the products.

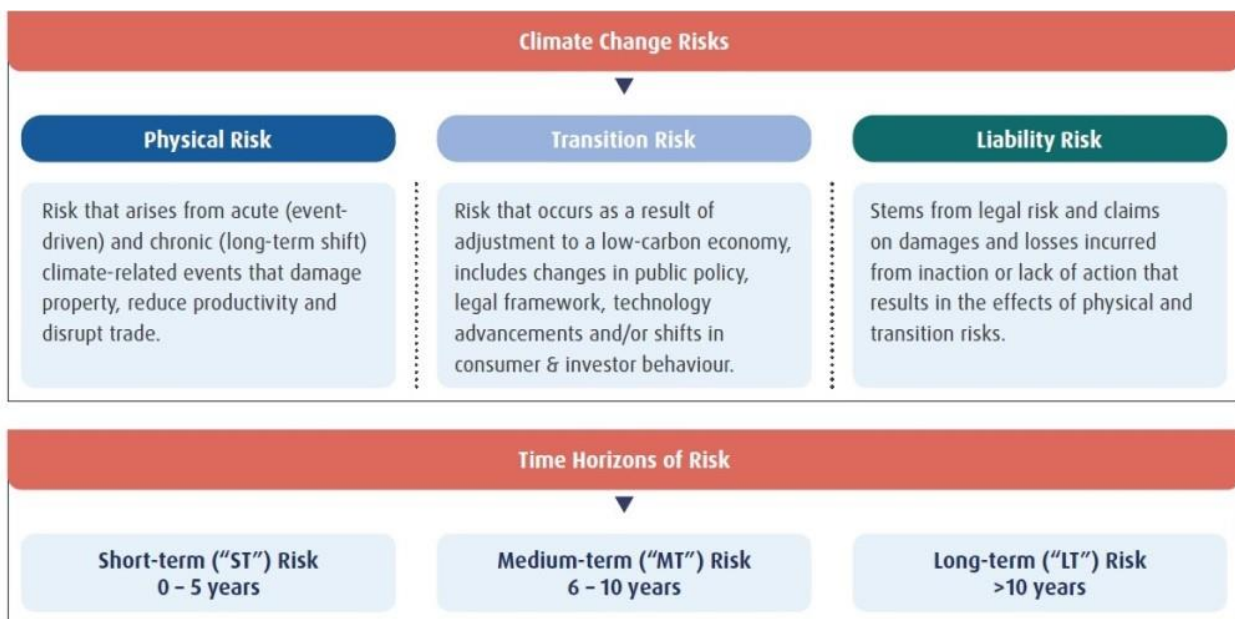


Table 2: Climate Change Risks & Time Horizons of Risk

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Climate-Related Risks and Opportunities

The Bank addresses climate-related risks and environmental degradation by embedding ESG practices into our daily business procedures and operations. Multiple layers of ESG screenings and assessments are conducted to identify all material considerations of our customers, including climate-related factors and the broader impact to the environment.

We adopt an inclusive approach whereby the Bank will guide existing high E&S corporate customers towards achieving more sustainable business practices and standards through supporting them in mitigation plans and nurturing programs. We are cognisant that financial institutions play an important role in promoting economic sectors that are better aligned to lower carbon emissions and/or better climate-related outcomes.

In relation to the classification of risk timeline for our customers, we will continue to take proactive and pragmatic measures according to the extent to which the activities or exposures meet the climate-related risk objectives.

The introduction and implementation of numerous initiatives assisted in the climate-related risks mitigation and adaptation process. Increased awareness of climate-related risks has led to the emergence of various new climate-related opportunities. For HLBG, we are developing adaptive capacity for climate change mitigation while strengthening our ability to seize opportunities in responding towards physical and transition risks.




Based on the TCFD recommendations, we have conducted a preliminary qualitative assessment of climate-related risks and opportunities and their potential positive financial, business and operational impact as described in the proceeding sub-sections.

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Climate-Related Risks

Examples of Climate-Related Risks, Financial Impact and the Potential Time Horizon of Risk for Physical and Transition Risks.

 PHYSICAL RISKS		Arises from acute (event-driven) and chronic (long-term shift) climate-related events that damage property, reduce productivity and disrupt trade					
 Acute Risk		ST	MT	LT	 Chronic Risk	MT	LT
Examples: Rising rate of extreme weather events such as floods and droughts.					Examples: Higher concentration of diseases in areas with increased temperatures.		
Financial Impact: Reduces profitability and potentially increases credit risk to lenders, inadvertently causing global supply chain issues.					Financial Impact: Rise in cost of capital and operational disruptions due to the physical damage of the facilities.		

*When considering climate-related risks, HLB assesses them through the following time horizons:

ST Short-term Risk (0 – 5 years)	MT Medium-term Risk (6 – 10 years)	LT Long-term Risk (Over 10 years)
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Table 3: Examples of Climate Change Physical Risks, Financial Impacts and Time Horizons

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Climate-Related Risks (cont'd)



TRANSITION RISKS

Arises from the adjustment to a low carbon economy, including changes in public policy, legal framework, technology advancements and/or shifts in consumer & investor behaviour



Market Risk

MT

LT

Examples:

- Change in consumer sentiments and demand.
- Devaluation of assets such as fossil fuel reserves.
- Rising cost of production from higher material cost.

Financial Impact:

- Decrease in revenue due to the change in revenue mix and sources.
- Repricing of assets i.e. fossil fuel reserve, land and security valuation.



Policy and Legal Risk

ST

MT

LT

Examples:

- Changes in policies and regulations, e.g. GHG emission reduction policies and mandates on the regulation of existing products and services.
- Legal liabilities, e.g. Penalties for involvement in illegal deforestation.

Financial Impact:

- Write offs and impairments of existing corporate assets due to changes in regulations and increased litigation.
- Lower corporate earnings.



Technology Risk

ST

MT

LT

Examples:

- Cost of transitioning to low carbon technology.
- Substitution of existing products and services with greener solutions.

Financial Impact:

- Costs to deploy and adopt new practices and processes.
- Research and development expenditure in new and alternative technologies.



Reputational Risk

ST

MT

LT

Examples:

Shift in investor, consumer and community preferences.

Financial Impact:

Rising negative perception on the Bank resulting in loss of customers, thus, reducing profitability.

*When considering climate-related risks, HLB assesses them through the following time horizons:




 Short-term Risk (0 – 5 years)	 Medium-term Risk (6 – 10 years)	 Long-term Risk (Over 10 years)
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Table 4: Examples of Climate-Related Risks, time horizons, examples and financial impact





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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Climate-Related Financial Risks

After classifying physical and transition risk, the Bank has identified how these risks are the causal links to the Bank's existing financial risks and the metrics used to assess these risks.

Examples of climate-related financial risk, metrics and potential time horizon of risks are depicted below:

 Market Risk	 Strategic Risk	 Liquidity Risk	 Enterprise-wide Risk
Examples: <ul style="list-style-type: none"> Decline in the value of securities/assets. Financial Impact: <ul style="list-style-type: none"> Market-To-Market ("MTM") losses. <div> ST MT LT </div>	Examples: <ul style="list-style-type: none"> Inability to transition from brown financing portfolios to green, thus, losing competitive advantage and market share to competitors. Financial Impact: <ul style="list-style-type: none"> Lower Market Share/Profitability. <div> ST MT LT </div>	Examples: <ul style="list-style-type: none"> Rising liquidity issues arising from customers' inability to meet obligations. Disruption in the Bank's cash flow. Financial Impact: <ul style="list-style-type: none"> Reduction of cash inflow due to customer inability to service their loan obligations. Large withdrawal of deposits to fund capital spending on low carbon equipment or to repair the damages caused by floods, for example. Reduction in liquid asset value as a result of MTM losses from investments held. <div> ST MT LT </div>	Examples: <ul style="list-style-type: none"> Inadequate capital to buffer against climate-related risks and losses, which may impede the Bank's long term business viability. Financial Impact: <ul style="list-style-type: none"> Lower Capital Adequacy Ratio/Core Equity Tier 1. <div> ST MT LT </div>

*When considering climate-related risks, HLB assesses them through the following time horizons:

ST Short-term Risk (0 – 5 years)	MT Medium-term Risk (6 – 10 years)	LT Long-term Risk (Over 10 years)
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Table 5: Examples of Climate-Related Financial Risks, time horizons, examples and financial impact

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Climate-Related Opportunities

Internally, the Bank is working towards transitioning to a low carbon operations model through our carbon reduction and offsetting measures, while leveraging digital innovation and optimising our resource usage across our operations.

Examples of climate change opportunities, potential positive financial, business and operational impacts are depicted below:

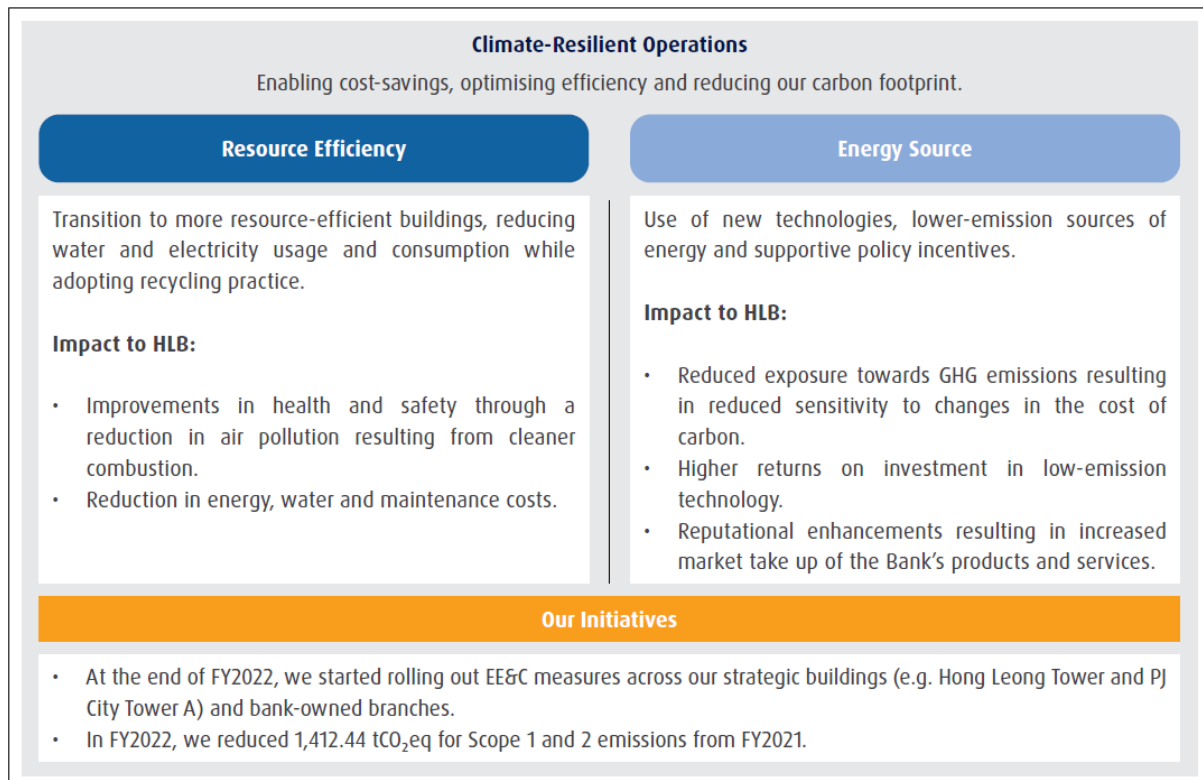


Table 6: Examples of Climate – Related Opportunities

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SUSTAINABILITY RISK GOVERNANCE FRAMEWORK

Conclusion

HLBG strongly believes to continuously create sustainable values and objectives for the betterment of the communities and the environment we operate in, for customers whom we serve, and for our internal and external stakeholders whom we work with. We strive to effectively integrate ESG considerations into our business operations, particularly in our products and services to contribute to the transition to a low carbon economy.

We recognise ESG, climate-related risks and focus areas are evolving in nature, thus, the Bank is committed to ensuring these risk aspects are progressively identified, analysed and mitigated to assist our corporate and business strategies achieve the desired outcomes in a sustainable manner.

This Framework therefore has been developed to serve as a guide to HLBG in our management of sustainability risk and is published for the understanding of our internal and external stakeholders, business partners and customers.