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Subject:	**EASTWEST BANKING CORPORATION'S SUSTAINABILITY POLICY**		

APPROVAL SHEET

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Approved by	Board of Directors	Members of the Board	mm/dd/yyyy

** Stakeholders/Units required to have positive review/concurrence/confirmation on the policy.*

DOCUMENT CONTROL

VERSION	ISSUE DATE	OLD PROVISION	NEW PROVISION	RATIONALE/IMPACT
2	mm/dd/yyyy	**Board Approved Sustainability Framework** A framework that integrates general sustainability into the Bank's governance, risk management, and strategy, aligned with BSP regulations and Filinvest Development Corporation's policies.	**PO-2025-000-V01 EWBC Sustainability Policy** This Sustainability Policy shall apply to all operations, business units, subsidiaries, and employees of EastWest Bank. It serves as a guiding framework for integrating sustainability into the Bank's strategic planning, decision-making, and day-to-day activities. The policy sets the approach, strategy, implementation, monitoring, and reporting of both regulatory compliances on sustainability, and most importantly, provides guidance on positioning the Bank vis-à-vis its social sustainability programs and initiatives. This document supersedes the Board approved Sustainability Framework on September 26, 2022.	1. To ensure strategic alignment between sustainability initiatives and the Bank's overall business goals. 2. To comply with regulatory requirements and industry standards, ensuring the Bank operates within legal frameworks and avoids penalties or reputational damage. 3. To meet stakeholder expectations—investors, customers, employees, and communities) by demonstrating a commitment to socially responsible and sustainable practices. 4. To enhance identification and mitigation of environmental, social, and governance (ESG) risks in order to enhance the Bank's overall risk resilience, enabling it to anticipate, respond to, and recover from potential disruptions. 5. To monitor sustainability performance and drive continuous improvement through data-driven insights, benchmarks, and accountability mechanisms. 6. To enhance corporate reputation and strengthen brand value by showcasing leadership in sustainability and building trust with stakeholders.

VERSION	ISSUE DATE	OLD PROVISION	NEW PROVISION	RATIONALE/IMPACT
				7. To improve overall ESG performance, resulting in better operational efficiency, reduced waste, and more responsible resource management. 8. To contribute to positive impact via financial inclusion and empowerment. 9. To increase employee engagement, motivation, and retention by fostering a purpose-driven culture that aligns with personal values and promotes well-being. 10. To promote transparency and accountability in sustainability reporting, reinforcing stakeholder confidence and enabling informed dialogue around sustainability efforts. 11. To strengthen the Bank's ability to create shared value in coordination with its parent company, Filinvest Development Corporation, through aligned sustainability strategies and collaborative initiatives. This document shall supersede the Sustainability Framework approved by the Board of Directors (BOD) in September 2022.
1	09/26/2022	N/A	**BOD- Approved Sustainability Framework** An annex to the memo of CGCC to the Board describing the Sustainability Framework's principles, organization and assessment.	To ensure compliance with regulatory mandates by guiding the Bank's transition toward full integration of sustainability principles across its operations, in alignment with the reference circulars and other applicable frameworks

VERSION	ISSUE DATE	OLD PROVISION	NEW PROVISION	RATIONALE/IMPACT
			Documents the requirements of the reference regulations with respect to: • Environment and Social Risk Management System (ESRMS), • Credit Risk Management System (CRMS), • Operational Risk Management System (ORMS), • Independent Review and testing • Reporting and disclosures.	

TABLE OF CONTENTS

I. INTRODUCTION

At EastWest Bank ("EW Bank" or the "Bank"), sustainability is a strategic imperative and a commitment to building a resilient and future-ready financial institution that contributes to a financially inclusive and economically empowered nation. The Bank recognizes that its role extends beyond banking, i.e., it is a **steward of economic development, good governance, financial empowerment, and social good.**

This policy reflects key inputs from evolving regulatory requirements, strategic sustainability direction set by the parent entity, and stakeholder priorities identified through the materiality assessment (*refer to provision C below*).

A. Regulatory Developments

1. Over the last five years, the Bangko Sentral ng Pilipinas (BSP) has beefed up sustainability to be embedded in the Banks' processes and systems. In addition, the Securities and Exchange Commission (SEC) introduced the Philippine Financial Reporting Standards that mandate publicly listed companies to supplement financial reports with environmental, social, and climate disclosures.

2. The SEC mandate effectively aligns with the BSP regulatory issuances that compel both publicly listed companies (PLCs) and large non-listed (LNL) companies to systematically disclose sustainability performance using a reporting framework that standardizes metrics on non-financial key performance indicators. This unified approach to reporting is intended to provide a common reference for government regulatory agencies, investors, and customers.

This policy is anchored on the following regulations:

Reference No.	Title
MORB Section 153	Sustainable Finance Framework
MORB Section 143	Credit Risk Management
MORB Section 614	Investment Activities of Banks
BSP Circular No. 1187[1]	Philippine Sustainable Finance Taxonomy Guidelines
SEC Memorandum Circular No. 4 series of 2019	Sustainability Reporting

B. Sustainability at the Parent Level

The Bank's sustainability policy references the Filinvest Development Corporation's (FDC) sustainability framework, outlining three focus areas:

1. **Green** - for its businesses that have the opportunity to support ecosystem services.

2. **Inclusive** - for its businesses that create economic and social benefits including reaching out to the underserved sectors.

3. **Resilient** - for establishing and strengthening processes and systems to future-proof the enterprise that shall enable its businesses not only to manage risks but also to seek opportunities that shall allow it to thrive despite the many changes.

[1] Subject to subsequent and future amendments.

C. Materiality Assessment

In maintaining the relevance and applicability of this policy, a sustainability materiality exercise shall be done as befits the timing and need of the Bank. The methodology and instrument to be used shall be in accordance with industry practice or as prescribed by the sustainability assessment standard used by the Bank including existing risk materiality assessments as applicable. Materiality Assessment shall be used to mean as a strategic tool to align sustainability programs with the overall business strategy.

D. Sustainability Principles

Sustainability in the Bank means ensuring continued growth with the ability to remain strong and resilient, and able to adapt industry changes while remaining profitable in the long run.

The Bank adopts a balanced approach to economic, social, environmental and social impacts that are generated by the business. These impacts will be carefully analyzed and applied in the implementation of the Sustainability Policy and Framework. While the Bank supports the environmental objectives of the country, there is also an impetus for the Bank to focus on the social and economic dimensions of sustainability, which are the key drivers of positioning the business to build people's capability and capacity for financial empowerment, which will ultimately lead to a sustainable lifestyle.

Most importantly, the Bank's sustainability principles are guided by the Filinvest core corporate values that will serve as beacon and compass in implementing the sustainability policy and framework. The corporate values are:

1. Customer Centricity: Keeping our customers top of mind
2. Change for the Better: Innovation and agility rule our quest for operational excellence
3. Entrepreneurial Mindset: Pursue new opportunities and take ownership of our decisions
4. Shared Benefit: Grow hand in hand with our stakeholders
5. Trustworthiness: Deserve and preserve trust
6. Filinvest Family: Invest in bringing out the best in ourselves and our team

II. SCOPE

This Sustainability Policy applies to all operations, Business Units (BU), Subsidiaries, and Employees of the Bank. It provides an overarching framework for embedding sustainability principles into the Bank's corporate governance structure, risk management system, strategic planning and enterprise-wide decision making. The Policy ensures that environmental, social, and governance (ESG) considerations are systematically integrated into business strategies, product development, operations, and day-to-day activities.

The Bank adopts the following Sustainability Dimensions, which collectively operationalize ESG principles across the organization.

1. **Enterprise-Wide Integration:** Applies to all subsidiaries and the Bank's BUs including retail banking, corporate banking, digital platforms, and the departments and support services where everyone is encouraged to ensure that sustainability principles are embedded in product development, customer engagement, risk management, and governance.

2. **People, Leadership and Culture:** Governs talent, people and culture building, and leadership development that foster a sustainability mindset across all levels of the organization.

3. **Community and Social Impact:** Governs corporate social responsibility (CSR) programs, employee volunteerism, and environmental stewardship efforts that are harnessed by the Bank's social capital and redirected to creating positive benefits for the society.

4. **Business Value Chain:** Covers the spectrum of the business value chain where interactions with customers, employees, regulators, suppliers, and community partners happen. It promotes inclusive dialogue and collaboration to advance shared sustainability goals.

5. **Information Security and Digital Efforts:** Encompasses cybersecurity, data privacy, and digital transformation initiatives, supporting the development of secure, scalable, and inclusive financial technologies as well as encourages sustainable practices across the value chain, including procurement and resource use.

III. SUSTAINABILITY FRAMEWORK

Following the process of mapping the Bank's stakeholders, analyzing regulatory requirements, benchmarking against peers, conducting materiality assessment, and consulting with the parent company, the Bank now arrives at a Sustainability Framework that reflects its corporate DNA, business thrust, and market position.

A. Sustainability Policy Statements and Principles

At EastWest Bank, your dreams are our focus, and we believe those dreams should build a better tomorrow for every Filipino.

Financial Inclusion and Empowerment
Your financial aspirations for prosperity drive us to pioneer inclusive banking solutions that benefit more Filipinos.

Customer Trust
We ensure that your money and information are always protected as we provide you with digital wallets, insurance, and wealth building products.

Investing in our People
We invest in the development and growth of our employees because as they thrive, they can better serve you and your family – this is central to our sustainable business model.

Responsible Spending and Resilient Financial Behavior
We create financial ecosystems that support both economic growth and resilience through products that reward responsible financial behavior and sustainable lifestyle.

Good Governance and Sustainable Growth
Our track record in corporate governance guides our sustainability commitments – we grow the business in a sustainable manner, reflecting our dedication to responsible banking that truly

B. Operationalizing the Framework

In operationalizing the Bank's sustainability policy, it shall be guided by the **DREAMS Sustainability Framework**. This framework integrates sustainability across the organization and focuses on actionable items with corresponding success measures. It reflects the Bank's commitment to responsible growth, inclusive finance, operational resilience, and people development.

D	R	E	A	M	S
Delivering Sustainable Value	**Reach the Underserved**	**Empowering EastWest Bankers**	**Advancing Customer-centric innovations**	**Managing Environmental, Social, Governance (ESG) Risks**	**Sustainable Growth**
• Economic value generated • Economic value distributed • Customer Service	• Financial inclusion • Financial empowerment • Financial Stewardship	• Lifelong learning and development • Engagement and involvement (business ownership) • Champion of Filinvest core values	• Digitalization • Hyper-localization • New customer segments served	• ESG risk assessment • Portfolio resilience • Regulatory compliance	• Customer data protection • Product leadership in the market • Customers supporting environmental and social objectives

Diagrammatic Illustration of the Framework

IV. SUSTAINABILITY GOVERNANCE, STRUCTURE, AND ROLES

1. The Board of Directors

   a. The Board of Directors (BOD) through the Risk Management Committee (RMC) shall have oversight on the implementation of the sustainability policy and framework of the Bank, and it shall guide the Management on the direction of the Bank's sustainability practice.

   b. The BOD shall be apprised on a regular basis, on the Bank's exposure to environment and social risk (E&S), including potential issues associated with both internal and external activities and the activities of its clients that may have material impact on the Bank's portfolio or reputation. This includes those arising from credit operations, which shall include, among others, potential issues associated with the activities of its borrowers that may have material impact and the corresponding control measures to mitigate such risks. The results of the risk monitoring activities shall likewise be regularly reported to the BOD and/or relevant Board-level Committee.

   c. The Board shall ensure that sustainability principles[2] are integrated into the Bank's overall strategy, risk appetite, and governance framework. The Board shall likewise oversee the Bank's implementation of taxonomy-aligned sustainable finance initiatives[3].

2. The Sustainability Office

   a. The Sustainability Office shall be created and shall appoint the Sustainability Head to serve as the policy steward and sustainability center of excellence to oversee the following:

      i. Implementing and ensuring effectiveness of review of the Sustainability Framework.
      ii. Establishing and engaging the Bank-wide Sustainability Technical Working Group.
      iii. Overseeing the execution of the Sustainability Reporting exercise
      iv. Implementing sustainability programs and initiatives from the Parent Bank down to its Subsidiaries and BUs.
      v. Conducting industry benchmarking to identify and adopt best practices.
      vi. Researching emerging trends on sustainability innovations, sustainable finance products, and related developments in the banking and financial industry.
      vii. Representing and liaising for the Parent Bank on behalf of the subsidiaries and affiliates within the EastWest Group.
      viii. Recommending participation in industry associations to strengthen the network and position of the Bank vis-à-vis sustainability.
      ix. Performing other sustainability-related functions that may arise in executing the spirit of the policy and framework.

3. The Sustainability Technical Working Group

   a. The Sustainability Office shall establish and engage a Bank-Sustainability Technical Working Group (STWG). The STWG shall be composed of Sustainability Champions representing each BU, corporate department, and subsidiary as may be appropriate. Representations may change over time due to organizational alignments and restructuring.

      The STWG and its Sustainability Champions shall develop sustainability objectives (short term, medium-term, and long-term) for their respective units that they represent. These objectives shall feed into the framework in compliance with the MORB Section 153 establishing the Sustainable Finance Framework. wide

[2] In alignment with / pursuant to BSP Circular No. 1085, including any subsequent and future amendments.
[3] In alignment with / pursuant to BSP Circular No. 1187, including any subsequent and future amendments.

b. Further, the STWG shall act as liaisons with their respective Units that provide and contribute the sustainability data for sustainability disclosures and reporting required by the BSP, SEC as mandated in the Philippine Financial Reporting Standards, and other government regulatory bodies but not limited to the Department of Energy, Department of Environment and Natural Resources, Department of Labor and Employment, Department of Health.

c. The STWG member shall be responsible for generating accurate, quality, timely, and reliable data sets, which are consolidated by the Sustainability Office, which acts as the business owner and sponsor of the Sustainability Data Product, defining the business logic, ensuring accuracy and regulatory alignment, and coordinating with the EDO for continuous quality assurance.

4. Coordination with the Risk Management Function

The Sustainability Office shall work together with the Risk Management Department (RMD) and support its policy work in implementing the Bank's Environmental and Social Risk Management System (ESRMS)[4] and its mechanisms such as, but not limited to:

a. E&S risk identification and assessment
b. Risk appetite statement
c. Credit screening using environmental and social indicators
d. Climate stress testing methodology
e. Sustainable finance portfolio tagging
f. Integration of E&S risks events to the operational risk management system, and
g. E&S risk monitoring and reporting.

5. Integration of E&S into Credit Risk Management Considerations and Decisions

a. The Bank shall integrate E&S risks into its credit risk appetite, strategy, and operations, guided by strategic objectives across various time horizons and supported by written policies and procedures.

b. The Board of Directors shall oversee financing decisions in high E&S risk sectors, ensure alignment with sustainability goals, and monitor deviations from strategic targets, while the Bank embeds E&S considerations into underwriting, pricing, and credit loss provisioning.

c. A Credit Risk Management System shall be adopted to identify, assess, monitor, and report E&S risks at both counterparty and portfolio levels, using tools such as stress testing, scenario analysis, and external expertise when necessary.

6. Integration of E&S into Operational Risk Management Framework[5]

a. The Bank shall integrate E&S risks into its operational risk management framework, identifying exposures such as climate change, pollution, natural disasters, and safety-related incidents.

b. It shall adopt an Operational Risk Management System supported by written policies, procedures, and tools—including scenario analysis and due diligence—to assess, monitor, and manage E&S risks across its operations and third-party relationships.

c. The Bank shall ensure effective internal controls, regular monitoring and reporting to the Board, and crisis management plans to maintain operational resilience against E&S-related disruptions.

[4] Referencing RMD-PO-2025-001-V02 Environmental and Social Risk Management System Framework
[5] Referencing RMD-PO-2025-001-V02 – Environmental and Social Risk Management Framework

V. SUSTAINABILITY AWARENESS AND TRAINING

1. The Sustainability Office shall partner with the Human Resources Group to develop a sustainability learning program to generate awareness among employees and officers as well as create internal initiatives that shall enable a community of sustainability practitioners across the Bank.

2. The Sustainability Champions from the STWG shall be provided with specialized training on sustainability reporting, sustainable finance framework, and sustainable finance taxonomy as the basic requirements of BSP and SEC.

VI. SUSTAINABILITY DATA GOVERNANCE AND MONITORING

1. There shall be a sustainability data collection, analysis, and repository guidelines for the proper collection of non-financial performance data and ensure that achievements can be consolidated within the Bank to:

   a. regularly monitor progress on social sustainability and financial inclusion metrics, in coordination with the STWG,

   b. regularly report on performance through sustainability or ESG disclosures to the Risk Management Committee of the Bank, appropriate regulators, and the parent company.

2. The organizational boundaries for disclosures shall be guided by operational control (as opposed to that which is based on equity share or financial control), i.e., only businesses where the Bank has direct control over setting strategic imperatives and day-to-day decision making. The non-financial performance of affiliates and businesses where EWB has equity share, but no operational control shall not be included in the non-financial disclosures.

3. As a minimum, all listed companies in the Group shall comply with the disclosure regulations of SEC.

4. The Bank shall publish an annual ESG Governance Report detailing board oversight, executive sponsorship, and stakeholder engagement outcomes.

VII. DISCLOSURE REQUIREMENTS

1. The Bank shall publish its sustainability initiatives on its website. Further, in compliance with the BSP regulations, it shall disclose the following information in its sustainability report:

   a. Sustainability strategic objectives and risk appetite.
   b. Overview of E&S risk management system.
   c. Product / services aligned with internationally recognized sustainability standards and practices. This shall include the issuance of green, social, or sustainability bonds.
   d. Breakdown of E&S risk exposures of the Bank per industry or sector as applicable or practicable.
   e. Information on existing and emerging E&S risks and their impact on the Bank
   f. Other initiatives to promote adherence to internationally recognized sustainability standards and practices.
   g. Progress of implementation of initiatives undertaken to integrate sustainability principles, risk management system and business strategy and operations.

2. The Bank shall adopt an appropriate sustainability reporting standard that aligns with its strategic objectives, regulatory requirements, and stakeholder expectations.

3. The Bank may subject its sustainability report to external or third-party assurance to enhance the credibility and reliability of its sustainability disclosures.

VIII. COMMUNICATION AND CONSULTATION / STAKEHOLDER MANAGEMENT

1. The Bank and its subsidiaries shall establish and nurture a reciprocal relationship with its relevant stakeholders. It shall regularly organize touchpoints with each type of stakeholder to gather feedback on the most pressing issues which may affect the stakeholder and the Bank, with the aim to flag any emerging risks and identify interventions that shall address those issues. Implementation partnerships with external stakeholders shall be encouraged, as shared goals can only be achieved through collaboration.

2. The Bank shall regularly communicate its non-financial performance to Stakeholders in a transparent and clear manner, and in compliance with the established and prevailing sustainability reporting frameworks that the Bank aligns with or is required by regulators to adopt. The Bank may, however, develop and disclose using its own set of sustainability indicators which reflect the unique circumstances and value propositions of its businesses in order to communicate its sustainability impacts effectively.

IX. RECORDS

1. All sustainability records and datasets shall be vetted by the Sustainability Office and processed for final inventory and repository in the enterprise data center in coordination with the Enterprise Data Governance Office or the appropriate unit designated by the Bank.

2. The Sustainability Office shall maintain a library of all Sustainability-related disclosures for posterity, which include but are not limited to sustainability reports, integrated reports, special publications, press releases and any information that was delivered in a digital form.

X. POLICY REVIEW AND EXCEPTION HANDLING

1. This policy shall be reviewed annually or as deemed necessary by the Document Owner to ensure that these remain relevant and appropriate, and that processes and procedures to implement these policies are continually aligned to guide the responsible units.

2. Any exception to this policy shall require appropriate documentation and justification to be approved by the Chief Executive Officer or any designated officer, subject to the Board of Director’s confirmation.