



UN Global Compact

2020 Communication on Progress



Chairman's statement

31 May 2020

Dear stakeholders:

As a Hong Kong-based comprehensive and diversified conglomerate, AMTD Group has joined the world's largest framework, Global Corporate Citizenship Initiative since 2017. We are committed to "giving back to the community and upholding its social responsibility". AMTD Group and AMTD Foundation have continued to deliver on our corporate social civic responsibilities in every aspect by supporting a wide spectrum of philanthropic events and talent cultivation.

Under my leadership, AMTD Group has continued to show commitment and respect to UN Global Compact's Ten Principles in the areas of Human Rights, Labour, Environment, and Anti-Corruption, with a goal to contribute to the sustainable economic growth of the world. As a Young Global Leader of the World Economic Forum and a "global citizen", I am pleased to be contributing to this very meaningful mission and ensure that AMTD Group adheres to the Ten Principles of the United Nations Global Compact.

Last but not least, I want to re-emphasize AMTD Group's mission to devote our efforts to ensure sustainable economic growth of the world. As reflected in detail in this annual Communication on Progress, we have summarized our efforts to enhance the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We are also committed to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Calvin Choi
Chairman & CEO

1 Human Rights

AMTD Group has always been committed to upholding the internationally proclaimed human rights.

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights

AMTD Foundation, founded in 2016, is a grant-making charity organization that aims to drive positive and sustainable social change in youth innovation, education, and social welfare services. It continuously supports and monitors programs that enrich youth's health, education, and protection over the years.

Principle 2

Make sure that they are not complicit in human rights abuses

To name a few, AMTD Foundation has collaborated with local renowned non-profit organizations like Caritas, to offer relief and rehabilitation services to the poor and the distressed by continuing our sponsorship

and support to its annual TV charity show for the 12th consecutive year.

Furthermore, in the midst of the COVID-19 pandemic, AMTD Group and AMTD Foundation have taken a number of initiatives to support the community. First, AMTD Group and AMTD Foundation together donated a total sum of RMB 2 million to the Hubei Red Cross Foundation to help their fight against the pandemic. Secondly, to address the shortage of surgical masks, AMTD Group and AMTD Foundation have utilized various channels to source 200,000 masks from around the world and our staff volunteered to distribute them for free to those Hong Kong residents in



AMTD staff volunteering at the donation hotline during the Caritas Charity Show 2019

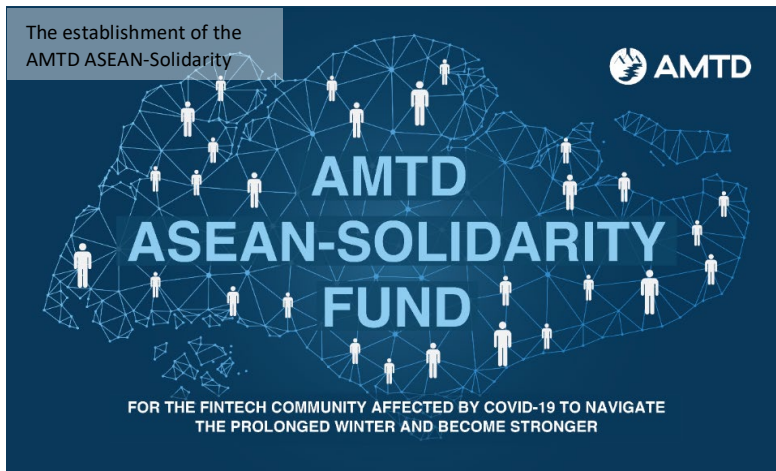


Distributing surgical masks for free to Hong Kong residents



Donation to Hubei Red Cross Foundation

need at multiple locations during February and March, to help them protect and fight against the pandemic.

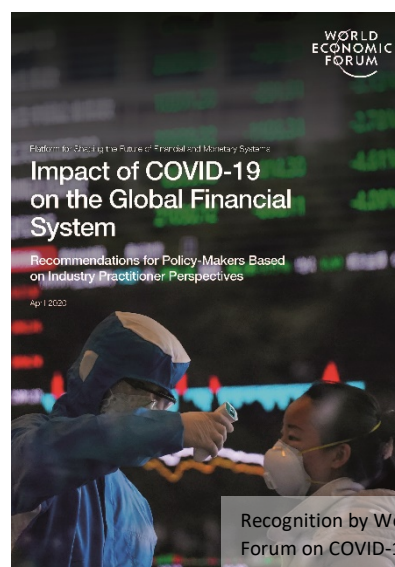


Thirdly, in collaboration with Singapore Fintech Association and ASEAN Financial Innovation Network, AMTD Group and AMTD Foundation have also established a S\$50 million AMTD ASEAN-Solidarity Fund to support and anchor eligible ASEAN-based FinTech companies registered in the API Exchange Platform ("APIX") through the challenging times of the COVID-19 pandemic. AMTD has also established the MAS-SFA-AMTD FinTech Solidarity Grant, in

collaboration with the Monetary Authority of Singapore (MAS) and the Singapore Fintech Association (SFA).

Lastly, the World Economic Forum, through its report “Impact of COVID-19 on the Global Financial System”, has commended and acknowledged the commitment and effort AMTD Group has put in as one of the key contributors (as well as the only one from Hong Kong) to its Financial Services COVID-19 Response Network.

On a broader note, AMTD Group has joined as a founding member to the non-profit membership organization, Shared value Project Hong Kong, whose mission is to promote business strategy amongst corporations that creates competitive advantage by aligning profit and purpose, thereby



Acknowledgments

The World Economic Forum would like to thank the institutions participating in the Financial Services COVID-19 Response Network for their commitment and contributions to this multistakeholder dialog, as well as members of the Platform for Shaping the Future of Financial and Monetary Systems who have participated in these discussions.

ABN AMRO	DB	Organisation for Economic Co-operation and Development (OECD)
Alma Group	GLS Bank International	Oliver Wyman
Alipay SE	Compagnie Financière Tradition	PayPal
AMTD Group	CSP Investment	Ping An Technology (Shenzhen) Co. Ltd
Art Financial	Deutsche	RBC Royal Bank of Canada
Banco Santander SA	European Commission	S&P Global
Bank for International Settlements (BIS)	EY	Standard Chartered Bank
Bank Julius Baer & Co. Ltd	Fidelity International	Suade
Bank Leumi Leumi OM	Fubon Financial Holding Co. Ltd	SWFT SCRL
Bank of America	HSBC Holdings Plc	Suez Re Management Ltd
Bank of Montreal	Industrial and Commercial Bank of China Limited	TD Bank Group
Barclays	ING Group	The Depository Trust & Clearing Corporation (DTCC)
BBVA SA	International Finance Corporation	UBS AG
BlackRock Inc.	International Monetary Fund (IMF)	UNICredit SpA
Bunzl Capital	JP Morgan Chase & Co.	United Nations
China Construction Bank	JP Morgan Chase & Co.	University of Chicago
China Performance Group	Mastercard	Wells Tower Watson
Corporation	Market Partners	Zurich Insurance Group
China Unicom	Nasdaq Inc.	
Circle Internet Financial	Naspers Limited	

We are grateful to our colleagues on the Platform team for their collaboration on this effort, including Mary Emma Barton, Helen Nasser, Megan Andrews, David Barak, Andre Delbecq, Kai Keller, and Drew Prosser. We are very grateful to Janet Hill for editing work, Mihaila Doroboi for graphic design and layout, and Mathew Hillier for guidance on messaging.

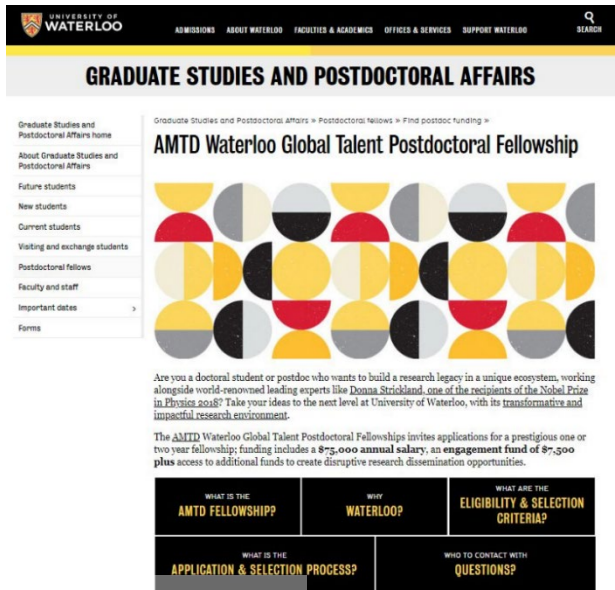
The views expressed in this briefing do not necessarily represent the views of the World Economic Forum nor those of its Members and Partners. This briefing is a contribution to the World Economic Forum's insight and interaction activities and is published to elicit comments and further debate.

Recognition by World Economic Forum on COVID-19 contribution



Townhall with AMTD staff on Shared Value Project Hong Kong and its mission hosted by Gaëlle Loiseau, CEO of Shared Value Project Hong Kong (2nd left)

future-proof their businesses by fostering trust with society and create profitable business models that also address unmet community needs. By creating “shared value”, businesses are encouraged to adopt measures and strategies that would yield economic benefit to the company, but also yield measurable impact on social and environmental issues.



AMTD Waterloo Global Talent Postdoctoral Fellowship



Launch Ceremony for the AMTD FinTech Centre of PolyU Faculty of Business

It is a firm belief of AMTD Group and AMTD Foundation that “Education” is the most powerful and effective channel to change the world. On top of continuing to support the established fellowship program and scholarship with the University of Waterloo, as well as the Fintech Center in collaboration with The Hong Kong Polytechnic University, we have also established in 2020 the Singapore Digital Finance Leadership Programme in collaboration with Xiaomi, Singapore Management University, and National University of Singapore, in an effort to nurture young and rising leaders in the fintech / digital finance space. In addition, we also hosted a job shadowing programme with a local secondary school to give students insight into operations of a financial institution.



AMTD, Xiaomi Finance, SMU and ISS join hands to nurture digital finance leaders

23 Jan 2020



Davos, Switzerland 22 January 2020 (Wednesday) – AMTD Group, the largest independent investment bank and a fast growing conglomerate in Asia, together with leading internet company Xiaomi Corporation's subsidiary - Xiaomi Finance, Singapore Management University (SMU) and the Institute of Systems Science (ISS) at the National University of Singapore (NUS) have signed a Memorandum of Understanding (MOU) to establish a long-term partnership to establish the 'Singapore Digital Finance Leadership Programme' (Programme) to hone the management and leadership capabilities of the aspiring digital

Inaugural Ceremony for Singapore Digital Finance Leadership Programme, witnessed by Mr. S. Iswaran, Singapore's Minister for Communications and Information and the Minister-in-charge of Trade Relations



Job Shadowing Program



Members of the Greater Bay Young Entrepreneurs Association at the Greater Bay Entrepreneurship Day in Davos 2020, with Edward Yau, Secretary for Commerce and Economic Development, HKSAR (front row middle), being the officiating guest

In order to promote youth development, innovation, and talent cultivation in the Greater Bay Area, AMTD Group, after the establishment of the Greater Bay Young Entrepreneurs Association in 2019, continued to support young entrepreneurs and bring them to the global platform during the World Economic Forum Annual Meeting in Davos again in 2020. In addition, our Group Chairman and CEO, Calvin Choi, being appointed as the Vice Chairman of the Greater Bay Area Homeland Youth Community Foundation, continued to support initiatives by the foundation to boost technological innovation in the Greater Bay Area, and to fully support Hong Kong's youths in their studies, employment, and entrepreneurship. Furthermore, working with the Hong Kong Trade Development Council, AMTD Group has continued to support the 2nd Start-up Express program to help identify, mentor, and promote local young entrepreneurs and start-ups.



Start-up Express Pitch Day 2019

AMTD Foundation and our Group Chairman and CEO Mr. Calvin Choi, acting as the Board Director of OneChild, continued to show our support to the charity on its mission to improve children and youth welfare globally, and to free children from sexual exploitation. In addition, our Group respects and supports human rights and non-discrimination, especially on the equality of women. We respect and agree with the vision and mission of Ariana Magazine, with its mission to shed light on injustices such as gender discrimination across the region and beyond, and had financially

supported the magazine. AMTD Group and AMTD Foundation have also supported the Women's Power Forum in HK as the Presenting and Panel sponsor, a new endeavour to create a leading, international platform in China to support female empowerment.



Women Power Forum Opening Ceremony, officiated by Mrs Carrie Lam, Chief Executive of HK SAR (9th left), Dr. Annie Wu, Women Power Forum Honorary Chairperson (6th right), Raymond Yung, Vice Chairman of AMTD Global Advisory Committee (1st left)

As one of the eight licensed virtual banks in Hong Kong, Airstar Bank, a joint venture between AMTD Group and Xiaomi Corporation, has set its mission to embrace innovation, financial inclusion, and green finance, with the objective to lower the barrier for the unbanked and underbanked to access financial services through innovative technology. The company was awarded the license by Hong Kong Monetary Authority in May 2019, and has launched its service in early 2020.



Members of the Board and Advisory Committee of Airstar Bank



Calvin Choi, Chairman and CEO of AMTD (4th left), with Heng Swee Keat, Deputy Prime Minister and Finance Minister of Singapore (middle), Sopnendu Mohanty, Chief Fintech Officer of MAS (3rd right) and the AFIN team

Furthermore, AMTD is the first corporate founding member of AFIN (ASEAN Financial Innovation Network), established by the Monetary Authority of Singapore, the International Finance Corporation, World Bank Group, and the ASEAN Bankers Association. Its mission is to facilitate innovation and cooperation between financial institutions and FinTechs, with an aim to expand access to and usage of financial services of the

unbanked and underbanked across the ASEAN region.

Recognizing his contribution and expertise, our Chairman, Calvin Choi, has been appointed by Cyberport, a wholly owned entity by the HKSAR government to support startups and the tech community, to be a member of its Cyberport Advisory Panel which provides suggestions on how to support startups, promote digital



Cyberport Advisory Panel Meeting held in Dec 2019

technologies, and develop Hong Kong into a smart city. Calvin was also appointed as a member of the HKSAR Prisoners' Education Trust Fund Investment Advisory Committee, providing advice to support and assist motivated prisoners who are interested to pursue further education.

AMTD Group respects and supports the fundamental human rights. In the company's 'Code of Conduct', we show our care and attention to our employees and key aspects of the company's approach to human rights, by stating clearly what the obligations and responsibilities of our employees that the Group expects, and at the same time, ensuring that our staff are provided with safe and suitable work facilities, as well as setting policies to protect workers from workplace harassment.

1.1 Measurement of Outcomes

- ❑ AMTD Foundation continuously supports youth innovation education and social welfare services over the years, supporting charity such as Caritas, OneChild, and gives back to society by distributing masks for free to HK residents, donating RMB 2 million to Hubei Red Cross Foundation, and establishing AMTD ASEAN-Solidarity Fund and MAS-SFA-AMTD FinTech Solidarity Grant to help them fight against the COVID-19 pandemic; its efforts have also been commended and acknowledged by the World Economic Forum
- ❑ Joined Shared Value Project Hong Kong as its founding member to promote the shared value concept whereby companies define their business strategy by creating measurable economic benefits while identifying and addressing social problems that intersect with the businessThrough the “University of Waterloo – AMTD Innovation Hub” and “AMTD FinTech Center to PolyU Faculty of Business”, as well as the newly established “Singapore Digital Finance Leadership Programme”, AMTD continues to contribute to the enhancement of youth and talent exchanges and cultivation
- ❑ Through the Greater Bay Young Entrepreneurs Association, and the Start-up Express Programme, AMTD continues to promote youth development, innovation and talent cultivation in the Greater Bay Area
- ❑ Our Chairman and CEO, Calvin Choi, as the Vice Chairman of Greater Bay Area Homeland Youth Community Foundation, continues to support Hong Kong’s youth in their studies, employment, and entrepreneurship
- ❑ Supported women empowerment and gender equality through sponsorship of the Women’s Power Forum
- ❑ Through Airstar Bank and AFIN, AMTD is committed to support financial inclusion and innovation
- ❑ In recognition of his expertise and contribution, AMTD Group Chairman and CEO, Calvin Choi, was appointed as a member of the Cyberport Advisory Panel and a member of the HKSAR Prisoners’ Education Trust Fund Investment Advisory Committee

2 Labour

AMTD Group is always committed to creating and providing an inclusive, open and equitable environment for employees with different backgrounds, lifestyles, needs and expectations.

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Elimination of all forms of forced and compulsory labour

Principle 5

Effective abolition of child labour

Principle 6

Elimination of discrimination in respect of employment and occupation

AMTD Group is an equal opportunity employer and welcomes applications from all qualified candidates. We are committed to creating and providing an inclusive, open and equitable environment for individuals with different backgrounds, lifestyles, needs and expectations. AMTD Group values every contribution brought by all employees, and provides support to facilitate their continuous contribution to the workplace. Thus, there is no official retirement age within AMTD Group. We do not mandate our staff to retire after attaining at a specified age. A few of our senior management team members are beyond 65 years of age. They are still capable of working and are welcomed to stay and

contribute to the firm's growth. AMTD Group also pays close attention to ensure there is no discrimination within our organisation. We believe that no employees shall be subject to any discrimination, such as gender, age, disability or nationality, during the hiring, compensation determination, or promotion consideration process.

We are committed to hiring, retaining and promoting more female employees across the firm. We refine our HR processes to help better retain female employees at all career stages, and ensure that employment related decisions are based on relevant and objective criteria. We sincerely respect the importance of providing equal job opportunities to working women.

AMTD Group actively supports paid maternity and paternity leaves as well. Respecting the challenges of working moms, we have allocated space for a nursing room in our office. Our employee welfare program strives to help each employee strike the necessary work-life balance. Our range of benefits focuses on our employees holistically. For example, we provide daily complimentary breakfast



Sanitizing station for staff and visitors

and lunch for all employees as well as offering fruits and snacks regularly. During the COVID-19 pandemic, to ensure the health and safety of our staff, we have put in measures for self-quarantine for those who travelled abroad or show symptoms of the disease (fever, cough, etc) during the early days of the outbreak, and have provided surgical masks to all staff when there was still shortage of supply in the city. We have also set up a sanitizing station for staff and visitors.

From time to time, the firm also arranges social activities for staff and their friends and families, such as movie screening and sports games. We have also formed a basketball team and joined the FinTech basketball league, as well as played



friendly soccer matches regularly with associated companies, encouraging our staff to exercise and stay fit. AMTD Group values every employee as a precious resource, so the firm strives to build a healthy and work-life balanced working environment for them.

AMTD Group also encourages employees to enrich their professional skills through continuous learning from workshops, fireside chats, and panel discussions hosted by renowned

CEOs or veteran speakers from different industries. For example, in collaboration with Summit Financial Services, we have held a series of training on Foreign Account Tax Compliance Act and Qualified Intermediary for our staff.

Furthermore, we provide various forms of support to our employees who want to pursue a higher education qualification, including financial sponsorship, flexible working hours, and examination leaves.

2.1 Measurement of Outcomes

- ❑ AMTD Group pays close attention to discrimination in terms of gender, age, disability or nationality, and welcomes employees of age over 65 to continue working at the firm
- ❑ Supports and encourages female employees, evaluates their work equally and fairly, with a nursing room set up for working mothers
- ❑ Offers financial sponsorship, flexible working hours and examination leaves for employees
- ❑ Thoughtful employees' welfare program including free breakfast and lunch, movie screening, sporting activities, free sanitizing and protective supplies, etc
- ❑ Organize training for employees through workshops, panel discussion, fireside chats

3 Environment

As a comprehensive financial conglomerate, AMTD Group is willing to undertake the initiatives and responsibility to promote environmental and social well-being.

Principle 7 **Businesses should support a precautionary approach to environmental challenges**

Principle 8 **Undertake initiatives to promote greater environmental responsibility**

Principle 9 **Encourage the development and diffusion of environmentally friendly technologies**

AMTD Group is committed to protecting the environment, including the promotion of green pantries and washrooms at our office. Especially, when we provide free meals for our employees, we use reusable tableware such as dishes, forks, spoons, chopsticks, and cups; we order the meals based on the numbers of employees signed up for breakfast and lunch to minimise the waste of food and drinks. Moreover, we remind our staff regularly not to be wasteful in the use of water and paper towels in the washroom. Notices and memo are being posted/circulated frequently to remind our employees the importance of adhering to such policies.

During the World Economic Forum Annual Meeting in Davos in January 2020, AMTD Group has hosted the *Smart Asia: Connecting Greater Bay with ASEAN* event, and invited senior officials from mainland China and Singapore, to discuss the importance of cross border collaboration to build a smart and efficient Asia, to help protect the environment and maintain sustainability using technology.

AMTD has also co-hosted a breakfast seminar with Sina on the topic of “*Chinese ESG Practices in Global Context*” and a lunch seminar with iFENG on “*China Perspective on Global Sustainability*” in the AMTD House and AMTD Hotel respectively during the 2020 World Economic Forum Annual Meeting in Davos, actively promoting and sharing best



Smart Asia event in Davos with Calvin Choi, Chairman and CEO of AMTD Group (3rd right), along with Mrs. Carrie Lam, Chief Executive of Hong Kong SAR (3rd left), Mr. S. Iswaran, Singapore's Minister for Communications and Information and the Minister-in-charge of Trade Relations (2nd left), Mr. Wen Guohui, Mayor of Guangzhou (1st right), Mr. David Aikman, Chief Representative Officer of China and Member of the Executive Committee of World Economic Forum (2nd right), Tan Sri Dato' David Chiu, Chairman of Far East Consortium (1st left)

practices on sustainability and ESG to the participants from around the world attending the World Economic Forum.



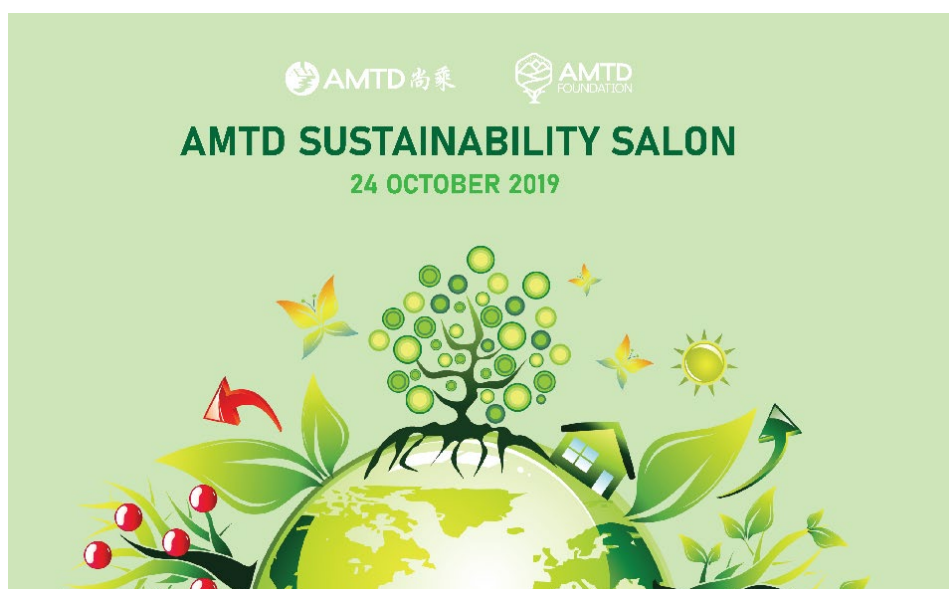
AMTD Group also contributes to environmental protection indirectly by supporting environmental construction and development through financing green or environmental companies. We promote green finance through Airstar Bank, the joint venture virtual bank established by AMTD Group and Xiaomi Corporation.

We have initially planned a Sustainability Salon to be held at the AMTD Innovation Lab on the topic of

“Hong Kong Endorsing the Circular Economy”, inviting speakers from different segments ranging from green finance industry association, e-commerce platform, to discuss and share thoughts on how to improve sustainability through panel talks and roundtable discussion. The event was unfortunately cancelled due to the social unrest at the time, but we are committed to lead and promote this type of dialogue within the industry.

Avoid any unnecessary printing, recycle used papers, and manage waste effectively are common ways to save the environment. Our employees are encouraged to use emails or digital presentation materials instead of printing paper in the workplace whenever possible. Also, office printer has been set as default to print double-sided and access card log is required for any printing to reduce wasteful use of printing paper. Undoubtedly, we fully support recycling initiatives. We provide boxes and bins that are located next to the printers for recyclable paper. Employees are also encouraged to use recycled paper for non-official documents printing. We are also using printing paper and letterheads that are made from recycled materials.

Apart from promoting eco-friendly initiatives in the office, we also encourage the re-use of our branding materials such as venue decorations and brochures from our corporate events. We try to minimize creating materials that can only be used once. From both the business perspective as well as internal protocol, AMTD Group will continue to create an impact to protect our environment directly and indirectly.



3.1 Measurement of Outcomes

- ☐ Support environmental construction and development through financing green or environmental companies
- ☐ Avoid using disposable utensils when offering breakfast and lunch to employees
- ☐ Minimize use of printing paper and reuse of branding material and recycle unused papers
- ☐ Continue to use the AMTD Portal to digitalize our daily workflow and employees are encouraged to use double-sided printing
- ☐ Energy saving mechanism in place such as sensor controlled lighting system, with automatic shut down of lighting and air-conditioning system in meeting rooms when not in use
- ☐ Hosted Smart Asia event in Davos during the World Economic Forum to promote connectivity and sustainability across Asia, and collaborated with media companies Sina and iFeng to co-host seminars on sustainability and ESG for participants from around the world

4 Anti-Corruption

AMTD Group is committed to undertake the initiatives and responsibility to promote business integrity and ethics in its workspace.

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery

AMTD Group has established its Compliance, Disciplinary and Anti-Corruption Committee (“CDACC”) since 2018, which is chaired by Mr. Sin Yat Kin, the Group’s Chief of Staff and a former Commissioner of Correctional Services of the Hong Kong Special Administrative Region

Government. The Compliance, Disciplinary and Anti-Corruption Committee is responsible for AMTD Group’s internal anti-corruption work and discipline management system, reporting to the Board of Directors, and aims to continuously improve the firm’s corporate governance structure. As the Chief of Staff of the Group, Mr. Sin monitors the adherence to and reminds every employee regularly of our policies, with an aim to maintain a corporate culture of justice, honesty and virtue.

On Jun 13th 2019, CDACC held its second annual meeting, attended by all staff. We had also invited former heads of the HKSAR government departments and disciplinary forces to attend and share their views and insights on industry trends and best practices. We will continue to hold this meeting annually to promote and share best practices across the Group.



AMTD Compliance, Disciplinary, and Anti-Corruption Committee (CDACC) annual meeting took place in Jun 2019

Additionally, the CEO of AMTD Foundation, Professor Timothy W Tong, is a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption. He also serves as chairman of the Citizens Advisory Committee on Community Relations of the same organization.

AMTD Group's Compliance team has also kept our Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policy updated regularly to fulfil the latest regulatory requirements. The team has been closely monitoring the upcoming trends in the industry to ensure that the Group's anti-corruption measures comply with international standards.

As in the past, AMTD commits to the concept of "Compliance, Professionalism, Integrity, and Justice" and continues to strengthen the anti-corruption and compliance education for internal employees, and requires all employees to strictly abide to the expected discipline and ethics of financial professionals and hold reverence toward discipline.

4.1 Measurement of Outcomes

- ☐ Compliance, Disciplinary, and Anti-Corruption Committee (CDACC) was established in 2018 and worked well over the years
- ☐ Updated the Anti Money Laundering and Counter-Terrorist Financing Policies to fulfil the latest regulatory requirement
- ☐ Continued to hold the annual anti-corruption talk, inviting speakers to give briefing on latest regulatory framework and best practices



Wechat



Twitter



LinkedIn



Facebook

