

# GRI INDEX

GRI Indicators	HKEx ESG Reporting Guide	GRI General Standard Disclosures	Reference
<b>Strategy and analysis</b>			
1.1		Statement from the most senior decision-maker of the organisation.	Chief Executive's Message
1.2		Description of key impacts, risks, and opportunities.	Our Values
<b>Organisational profile</b>			
2.1		Name of the organisation.	About this Report
2.2		Primary brands, products, and/or services.	Our Business
2.3		Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Our Business
2.4		Location of organisation's headquarters.	Our Business
2.5		Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Our Business
2.6		Nature of ownership and legal form.	Our Business
2.7		Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Our Business
2.8		Scale of the reporting organisation.	Our Business
2.9		Significant changes during the reporting period regarding size, structure, or ownership.	No significant changes in 2013
2.10		Awards received in the reporting period.	Corporate Sustainability Report: <i>Our Commitment: Performance; Customer</i> Annual Report page 19 & 101
<b>Report Parameters</b>			
3.1		Reporting period (e.g., fiscal/calendar year) for information provided.	About this Report
3.2		Date of most recent previous report (if any).	About this Report
3.3		Reporting cycle (annual, biennial, etc.)	About this Report
3.4		Contact point for questions regarding the report or its context.	About this Report
3.5		Process for defining report content.	About this Report
3.6		Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	About this Report
3.7		State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	About this Report
3.8		Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Same as last year
3.9		Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Financial accounts data are for the financial year 1 January 2013 to 31 December 2013 except Environmental data under <i>Our Commitment: Environment (Table: Environmental Performance); Performance (Table: Environment)</i>
3.10		Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	About this Report
3.11		Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	No significant change occurred

3.12	Table identifying the location of the Standard Disclosures in the report.	Report Verification
3.13	Policy and current practice with regard to seeking external assurance for the report.	Report Verification
<b>Governance, Commitments and Engagement</b>		
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Annual Report page 102-116: <i>Corporate Governance and Other Information</i> Corporate Sustainability Report: <i>Our Commitment: Corporate Governance (Chart: Hang Seng's Board of Directors)</i>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	<i>Our Commitment: Corporate Governance (Chart: Hang Seng's Board of Directors)</i>
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Annual Report page 120-127: <i>Biographical Details of Directors</i> Corporate Sustainability Report: <i>Our Commitment: Corporate Governance</i>
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Annual Report page 113-114 and 117-118: <i>Communication with Shareholders, Employee Engagement</i> Corporate Sustainability Report: <i>Our Commitment: Staff (Employee Engagement and Communication)</i>
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Annual Report page 110-113: <i>Remuneration of Directors, Senior Management and Key Personnel</i>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Annual Report page 103-104: <i>Board Process</i>
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Annual Report page 102-113: <i>Board Composition</i>
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	<i>Our Values; Our Commitment: Staff, Environment and Community</i>
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Annual Report page 102-116: <i>Corporate Governance and Other Information</i> Corporate Sustainability Report: <i>Our Values</i>
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Annual Report page 102-113: <i>Board Composition</i>
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Annual Report page 102-113; Corporate Sustainability Report: <i>Our Commitment: Corporate Governance (Risk Management)</i>
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Chief Executive's Message, <i>Our Values, Our Commitment: Corporate Governance (Responsible Banking Services)</i> and <i>Environment</i>
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Annual Report page 120-127: <i>Biographical Details of Directors</i> and page 135,170-171: <i>Directors' emoluments</i>
4.14	List of stakeholder groups engaged by the organisation.	<i>Our Values: Stakeholder Engagement</i>
4.15	Basis for identification and selection of stakeholders with whom to engage.	<i>Our Values: Stakeholder Engagement</i>

4.16		Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Our Values: <i>Stakeholder Engagement</i> , Our Commitment: <i>Staff (Employee Engagement and Communication)</i>
4.17		Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Our Values: <i>Materiality Assessment, Identifying our Material Aspects, Stakeholder Engagement</i>

## Economic

		Disclosure on management approach	Our Business
EC1	KPI D1.2	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Our Business ( <i>What We Do</i> ); Our Commitment: <i>Performance (Table: Financial, Economic and Community)</i>
EC2		Financial implications and other risks and opportunities for the organization's activities due to climate change.	Hang Seng has not launched any business programme or products covering climate change-related risk and opportunities. Our Commitment: <i>Corporate Governance (Responsible Banking Service)</i>
EC3		Coverage of the organization's defined benefit plan obligations.	Annual Report page 139: <i>Consolidated Statement of Comprehensive Income</i>
EC4		Significant financial assistance received from government.	None from 2013
EC5		Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Our Commitment: <i>Staff - (Pay and Compensation)</i> Our employment practice do not discriminate on the grounds of gender, entry wage level is the same for male and female.
EC6		Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Our Commitment: <i>Customers</i> and Our Commitment: <i>Suppliers</i> The Bank's Purchase and Expense Control manual is governing the purchase activities at the bank.
EC7		Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Annual Report page 104: <i>Appointment and Re-election of Directors</i> Corporate Sustainability Report: <i>Our Commitment: Staff (Equal Opportunities, Diversity and Inclusion)</i> Our employment practise do not discriminate on grounds of nationality.
EC8	KPI D1.1	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Our Commitment: <i>Community</i>

## Environmental

	GD B1, B2, B3 KPI B1.5 B1.6, B2.3 B2.4	Disclosure on management approach	Our Commitment: <i>Corporate Governance; Environment</i>
EN1	KPI B2.5	Materials used by weight or volume.	Our Commitment: <i>Environment (Table: Resources Consumption)</i>
EN2		Percentage of materials used that are recycled input materials.	Our Commitment: <i>Environment (Table: Waste Collected for Recycling)</i>
EN3	KPI B2.1	Direct energy consumption by primary energy source.	Our Commitment: <i>Environment (Table: Greenhouse gas emissions)</i>
EN4	KPI B2.1	Indirect energy consumption by primary source.	Our Commitment: <i>Environment (Table: Environmental Performance)</i>
EN8	KPI B2.2	Total water withdrawal by source.	Our Commitment: <i>Environment (Table: Resources Consumption)</i>
EN11		Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not applicable - given the nature of our business with its urban centre locations, not a material issue for our direct operations.

EN12		Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Not applicable - given the nature of our business with its urban centre locations, not a material issue for our direct operations.
EN16	KPI B1.1, B1.2	Total direct and indirect greenhouse gas emissions by weight.	Our Commitment: <i>Environment (Table: Greenhouse gas emissions)</i>
EN17	KPI B1.1, B1.2	Other relevant indirect greenhouse gas emissions by weight.	Our Commitment: <i>Environment (Table: Greenhouse gas emissions)</i>
EN19		Emissions of ozone-depleting substances by weight.	Not applicable - no significant amount
EN20		NOx, SOx, and other significant air emissions by type and weight.	Not applicable - no significant air emissions
EN21	KPI B1.3, B1.4	Total water discharge by quality and destination.	The volume of wastewater discharge is about the same as water consumption - due to the nature of our industry. All wastewater goes to government sewage system.
EN22	KPI B1.3, B1.4	Total weight of waste by type and disposal method.	Our Commitment: <i>Environment (Table: Waste Disposed to Landfill)</i>
EN23		Total number and volume of significant spills.	Not applicable - due to the nature of our industry
EN26	KPI B3.1, B2.3	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Our Commitment: <i>Corporate Governance (Responsible Financing); Customers (Service Environment); Championing Local Business)</i>
EN27	KPI B2.5	Percentage of products sold and their packaging materials that are reclaimed by category.	Not applicable - due to the nature of our industry
EN28		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	None from 2013

### Social: Labour Practices and Decent Work

	GD A1, A2, A3	Disclosure on management approach	Our Commitment: <i>Staff</i>
LA1	KPI A1.1	Total workforce by employment type, employment contract, and region, broken down by gender.	Our Commitment: <i>Staff (A Statistical Snapshot of Our People)</i>
LA2	KPI A1.2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Our Commitment: <i>Staff (A Statistical Snapshot of Our People)</i>
LA4		Percentage of employees covered by collective bargaining agreements.	None in 2013. The Bank respects the right to form and join trade unions and will work in a professional manner with legitimate employee representative bodies in accordance to the Group HR Functional Instruction Manual.
LA5		Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	There will be due consideration on minimum notice period and communication channels for the implementation of any significant operational changes.
LA6	KPI A2.3	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Our Commitment: <i>Customers (Service Environment); Staff (Occupational Health and Safety)</i>
LA7	KPI A2.1, A2.2	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Our Commitment: <i>Staff (Table: Occupational Health and Safety)</i>
LA8	GD A3	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Our Commitment: <i>Staff (Training and Skills Development; Work-life balance); Customers (Service Environment)</i> The Bank has set up a Crisis Committee and a multi-disciplinary pandemic contingency planning team comprising representatives from various divisions of the Bank to implement well-organized damage control measures to enable the Bank to continue with rendering its services to the public during times when there are outbreak of influenza pandemic.

LA9		Health and safety topics covered in formal agreements with trade unions.	We do not have formal agreement with trade unions.
LA10	KPI A3.1, A3.2	Average hours of training per year per employee by gender, and by employee category.	Our Commitment: <i>Staff (Table: Training)</i>
LA11	KPI A3.1, A3.2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Our Commitment: <i>Staff (Nurturing Talent and Succession Planning)</i>
LA12	KPI A3.1, A3.2	Percentage of employees receiving regular performance and career development reviews, by gender.	Our Commitment: <i>Staff (Nurturing Talent and Succession Planning)</i>
LA13		Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Our Commitment: <i>Staff (A Statistical Snapshot of Our People)</i>
LA14		Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Our Commitment: <i>Staff (Equal Opportunities, Diversity and Inclusion)</i>  Employee's remuneration are not determined on the ground of gender, but with reference to employees' performance and pay level against market data relevant to their skills and responsibility.  The Bank adopts a performance-based remuneration system to reward its employees for their contribution such that employees are incentivized through salary adjustment and variable pay and long term incentive which are tied in the Bank's overall performance and employees' individual performance and contribution.
LA15		Return to work and retention rates after parental leave, by gender.	Our Commitment: <i>Staff (Work-Life Balance)</i>

## Social: Human Rights

		GD A4, C1 Disclosure on management approach	Our Commitment: <i>Corporate Governance (Responsible Banking Service); Staff</i>
HR1		Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	All investment agreements and contracts are set under the responsible financing guidelines. Our Commitment: <i>Corporate Governance (Responsible Banking Service)</i>
HR2	KPI C1.1, C1.2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	None in 2013 Suppliers are required to fulfill and comply with the Ethical code of conduct and the Ethical and Environmental Code of Conduct for Suppliers of Goods and Services as set out under our Group's policy.
HR3		Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Our Commitment: <i>Staff (Equal Opportunities, Diversity and Inclusion)</i>
HR4		Total number of incidents of discrimination and actions taken.	The Bank had received a few allegations of employee discrimination/harassment in 2013. These cases were handled in accordance with the procedures set out in the Staff of Code of Conduct. Disciplinary actions will be lodged against the employee who breaches these policies with reference to the seriousness of the case. Due to the sensitivity of the cases, the total number of incidents are not available.
HR5		Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	We do not consider our operations or significant suppliers to have high exposure to risk concerning human rights and we have not identified any operations that constitute risk to the right to exercise freedom of association or collective bargaining.



HR6	KPI A4.1, A4.2	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Under the Labour Law of Hong Kong, we do not consider our operations or significant suppliers to have high exposure to risk concerning the use of child labour.
HR7	KPI A4.1, A4.2	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	We do not consider our operations or significant suppliers to have high exposure to risk concerning the use of forced or compulsory labour.
HR8		Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	100% of security personnel trained. Hang Seng Bank and its subsidiaries in Hong Kong place strong importance on all aspects of human rights and also health and safety.
HR9		Total number of incidents of violations involving rights of indigenous people and actions taken.	None in 2013
HR10		Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	None in 2013
HR11		Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	None in 2013

### Social: Society

	GD C3, D1	Disclosure on management approach	Our Commitment: <i>Corporate Governance; Community</i>
SO1		Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Our Commitment: <i>Customers (Helping Customers Face Financial Challenges); Community</i> The approach is applicable to all operation covered by this Report.
SO2	KPI C3.1, C3.2	Percentage and total number of business units analyzed for risks related to corruption.	Annual Report page 35: <i>Risk Management</i> The approach is applicable to all operation covered by this Report.
SO3	KPI C3.1, C3.2	Percentage of employees trained in organization's anti-corruption policies and procedures.	100% of employees were trained in the Bank's anti-corruption policies and procedures in 2013. Our Commitment: <i>Corporate Governance (Staff Awareness)</i>
SO4	KPI C3.1, C3.2	Actions taken in response to incidents of corruption.	None in 2013
SO5		Public policy positions and participation in public policy development and lobbying.	Some of our senior executives were involved in the public policy positions but not engaged in political lobbying in 2013. Annual Report page 120-129: <i>Biographical Details of Directors; Biographical Details of Senior Management</i>
SO6		Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	None in 2013
SO7		Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	None in 2013
SO8		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	None in 2013
SO9		Operations with significant potential or actual negative impacts on local communities.	Given our business nature and our sustainability approach, our impacts to Hong Kong society are benign.
SO10		Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	None in 2013

### Social: Product Responsibility

	GD C2, KPI C2.4	Disclosure on management approach	Our Commitment: <i>Corporate Governance; Community</i>
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PR1	KPI C2.1 C2.2	Health and safety impacts of products and services and incidents of non-compliance	Our financial products do not present any significant health and safety impacts. The Bank implements the BS OHSAS 18001:2007 compliant Occupational Health Safety Management System to assist in assessing the health and safety impacts of products and services on the development of product concept for continual improvement. For health and safety impact of our retail outlets, see Our Commitment: <i>Customers (Service Environment)</i>
PR2		Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by types of customers.	None in 2013
PR3		Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Our Commitment: <i>Customers (Our Service Pledge); Suppliers</i>
PR4		Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	None in 2013
PR5		Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Our Commitment: <i>Customers (Handling Customers Feedback)</i>
PR6		Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	We adhere to marketing, advertising and promotional laws in all of the countries it operates.
PR7		Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	None in 2013
PR8	KPI C2.5	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	None in 2013
PR9		Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	None in 2013

### Financial Services Sector Supplement

FS1		Policies with specific environmental and social components applied to business lines.	Our Commitment: <i>Corporate Governance (Responsible Banking Services)</i>
FS2		Procedures for assessing and screening environmental and social risks in business lines.	Our Commitment: <i>Corporate Governance (Risk Management)</i>
FS3		Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Our Commitment: <i>Corporate Governance (Responsible Banking Services); Suppliers</i>
FS4		Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Our Commitment: <i>Corporate Governance (Responsible Banking Services)</i>
FS5		Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Our Commitment: <i>Corporate Governance (Risk Management, Responsible Banking Services); Suppliers</i>
FS6		Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Annual Report page 174-178: <i>Segmental Analysis</i>
FS7		Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Our Commitment: <i>Corporate Governance (Responsible Banking Services)</i>
FS8		Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Our Commitment: <i>Corporate Governance (Responsible Banking Services)</i>
FS9		Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Our Commitment: <i>Corporate Governance (Risk Management)</i>

FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Hang Seng has strictly adhered to the environmental-related policies. Every corporate customers will be assigned an environmental-rated rating (Leader/Compliant/Near-compliant/Non-compliant).  In 2013, there have been insignificant exposure to corporate customers being classified as "Near-compliant" and "Non-compliant".
FS11	Percentage of assets subject to positive and negative environmental or social screening.	We do not report publicly on this indicator - All subsidiaries are covered by the Group sustainability policies
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	We do not report publicly on this indicator - All subsidiaries are covered by the Group sustainability policies
FS13	Access points in low-populated or economically disadvantaged areas by type.	Not applicable due to Hang Seng's operation is mainly in Hong Kong
FS14	Initiatives to improve access to financial services for disadvantaged people.	Our Commitment: <i>Customers (Access for All)</i>
FS15	Policies for the fair design and sale of financial products and services.	Our Commitment: <i>Customers (Transparency, Accountability, Choice)</i>
FS16	Initiatives to enhance financial literacy by type of beneficiary	Our Commitment: <i>Customers (Community Outreach)</i>