

Hang Seng Bank

Corporate Sustainability Report 2019 A Snapshot

The Hang Seng Bank Corporate Sustainability Report 2019 focuses on the economic, environmental and social issues that impact our sustainability and that are of interest to stakeholders. This snapshot provides a summary of our key sustainability initiatives and achievements in 2019. For a full version of the Report, please visit www.hangseng.com.



Hang Seng Bank is named **Best Bank – Domestic (Hong Kong)** for 20 consecutive years by *The Asset*, and the **Most Attractive Employer in the Banking and Financial sector** at the Randstad Employer Brand Awards 2019 in Hong Kong.

Our Business Values: Principles in Practice

- Direct economic value generated ¹ **HK\$43,521 million**
- Direct economic value distributed ² **HK\$30,442 million**



We are a **constituent member** of several sustainability indexes including:

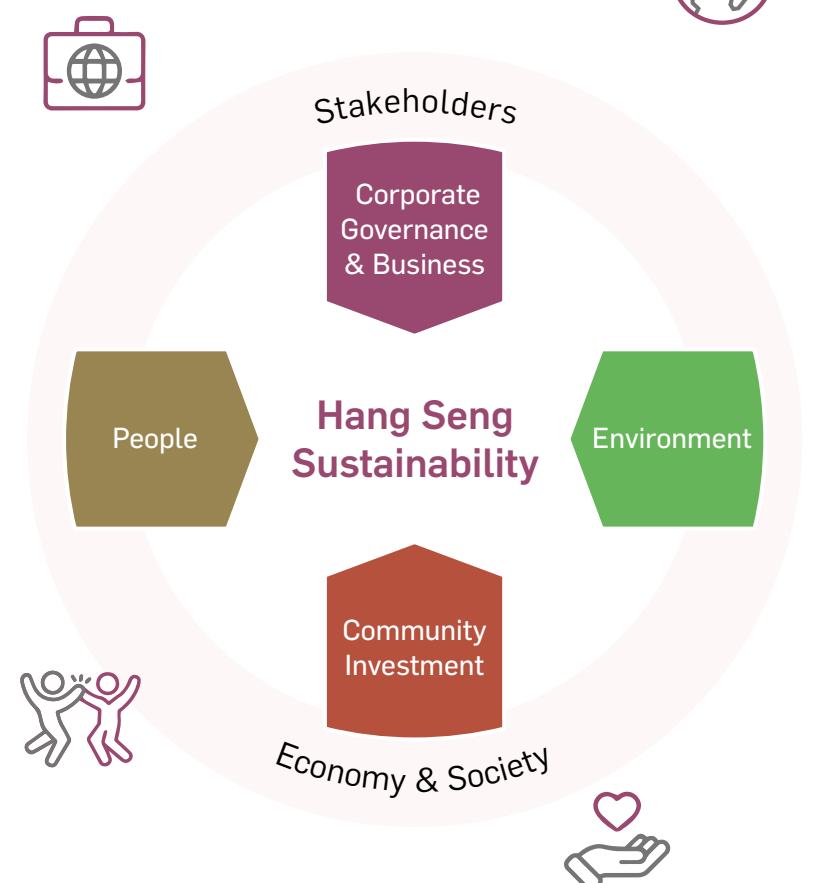
Dow Jones Sustainability Asia Pacific Index 2019

FTSE4Good Developed Index (Since 2001)

MSCI Pacific ex Japan SRI Index (Since 2015)

Hang Seng Corporate Sustainability Index Series (Since 2010)

Hong Kong Business Sustainability Index (Since 2015)



¹ Direct economic value generated refers to net sales plus revenues from financial investments and sales of assets as disclosed in the Bank's Annual Report.

² Direct economic value distributed refers to the total expenses of operating costs, employee compensation and benefits, payments to providers of capital, payments to government in Hong Kong, payments to government outside Hong Kong and charitable donations.

Our Risk Management

- ❖ The Board ensures effective ESG risk management and internal controls are in place, and **approved a year-end attestation** in April 2020
- ❖ Our directors completed mandatory training on **conduct and culture, anti-bribery and corruption, and anti-money laundering**; while our staff received **0.7 day** of such training on average
- ❖ **Mandatory cybersecurity training** for all staff
- ❖ **> 90%** of our suppliers located in Hong Kong and all contracted suppliers are required to acknowledge their compliance with our Code of Conduct.
- ❖ **No noncompliance** with laws and regulations that resulted in significant fines or nonmonetary sanctions was recorded in 2019

Our Customers

- ❖ The **Most Recommended Bank by Customers** in Hong Kong for **15 consecutive years**
- ❖ **Customer satisfaction rate > 95%** in last 4 years³
- ❖ Serving **> 3 million** customers in Hong Kong
- ❖ Introduced customer-friendly services:
 - **mobile cash withdrawals via NFC and QR code technologies**
 - **eTicketing** for counter services
- ❖ **Second Mobile Branch** commenced operation – two mobile branches serving 7 public housing estates
- ❖ Approved two **green financing** applications totalling **HK\$1,008 million**

Our Environment

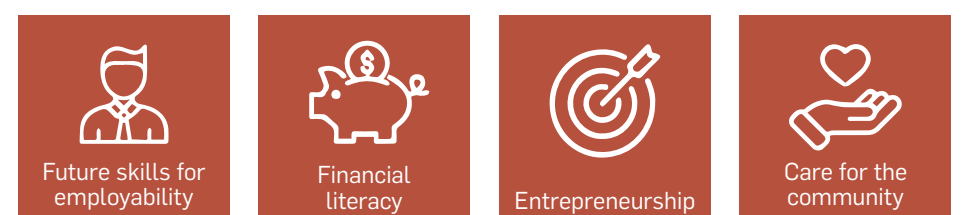
- ❖ Received **Renewable Energy Contribution Award** in the CLP Smart Energy Award 2019
- ❖ Office building Hang Seng 113 earned **Merit Award in the Green Building awards**
- ❖ Greenhouse gas emissions per staff⁴ **↓ 3.52%**
- ❖ Energy consumption per staff⁵ **↓ 3.35%**
- ❖ **100%** compliant paper used⁶

Our People

- ❖ **> 8,000** full-time equivalent staff in Hong Kong
- ❖ **43%** of our senior leaders are female
- ❖ Number of **occupational fatalities = 0**
- ❖ 100% employees trained
 - **Total training hours = 405,030**
 - **Each full-time employee = 5.5 days**
- ❖ **> 1,000 posts published** in the new internal social networking app H@SE
- ❖ Launched **“RIGHT” Together** - bank-wide cultural change initiative to promote positive behaviours

Our Community

- ❖ Community investment **HK\$33 million** under **4 pillars:**



- ❖ Held over **1,800** community programmes and staff volunteer activities

³ According to the Banking Industry Monitoring Study 2019 conducted by independent research firm Kantar Hong Kong.

⁴ Compared the total greenhouse gas emissions per full-time equivalent employee from 1 Oct 2018 to 30 Sep 2019 and from 1 Oct 2017 to 30 Sep 2018

⁵ Compared the total energy consumption per full-time equivalent employee from 1 Oct 2018 to 30 Sep 2019 and from 1 Oct 2017 to 30 Sep 2018

⁶ Paper certified by an HSBC-approved certification scheme. Currently includes FSC, Canadian Standards Association, etc.