

Our Stakeholders



As Hong Kong's leading domestic bank, our sustainable growth is built on service excellence, delivered responsibly and with care for our community and our planet. We seek to meet the needs of customers, add value for shareholders, provide fulfilling careers for staff, and contribute to a vibrant local economy and civic pride.

Engaging Our Stakeholder Community

We openly and actively engage with those who are highly influential to our business, and those whom our operations affect significantly. These include customers, staff, shareholders, suppliers, business partners, regulators and the wider community. Understanding their opinions, priorities and values helps us to better serve their evolving needs and to recognise their expectations and concerns regarding our governance, management and sustainability.

Engaging with stakeholders enables us to respond proactively and creatively to opportunities and challenges, and to build long-term loyalty and trust. This contributes to the positive development of our community, which in turn supports our sustainable growth.

Each year, we carry out stakeholder engagement exercises to prepare our Environmental, Social and Governance (ESG) Report. This year, we engaged internal and external stakeholders via an online survey and one-on-one interviews. To ensure open dialogue and impartiality, this exercise was undertaken by an independent third-party consultant and conducted with reference to the AA1000 Stakeholder Engagement Standard and the AA1000 AccountAbility Principles of inclusivity, materiality and responsiveness.

Stakeholders were also engaged via the following channels in 2020:

Stakeholders	Primary methods of engagement
Customers	<ul style="list-style-type: none"> Daily operations and interactions Financial market updates Relationship manager visits and meetings Seminars and conferences Loyalty events Satisfaction surveys Online community
Shareholders	<ul style="list-style-type: none"> Annual general meeting Corporate communications Interim and annual reports Results announcements
Employees	<ul style="list-style-type: none"> Surveys Focus groups Face-to-face interviews Training and workshops Performance and development discussions Intranet Staff mobile app Business briefings Town hall meetings hosted by the Chief Executive and business/function heads Regular exchange meetings hosted by the Chief Executive and managers Morning broadcasts Symposiums Forums hosted by businesses/functions to profile their work and expose staff to internal opportunities Employee representation on staff retirement committee Volunteer activities Community investment programmes and communications

Stakeholders	Primary methods of engagement
Business analysts and investors	<ul style="list-style-type: none"> Results announcements Shareholder announcements and circulars Annual general meeting Investor relations meetings
Business partners	<ul style="list-style-type: none"> Visits and meetings Seminars and events Reports
Regulators	<ul style="list-style-type: none"> Meetings Compliance reports On-site/Off-site inspections Ad hoc enquiries Circulars and guidelines
Media	<ul style="list-style-type: none"> Briefings Press materials Senior leaders interviews Results announcements Informal meetings
Non-governmental organisations (NGOs)	<ul style="list-style-type: none"> Volunteer activities Community investment programmes and communications Visits and meetings
Financial sector peers	<ul style="list-style-type: none"> Hong Kong Association of Banks meetings and events
Professional bodies (including rating agencies)	<ul style="list-style-type: none"> Visits and meetings Memberships External audits Index assessments and questionnaires
Suppliers	<ul style="list-style-type: none"> Risk management processes Due diligence processes Performance reviews Visits and meetings

Our Stakeholders

From Feedback to Action ■■

Hang Seng's multifaceted engagement gives internal and external stakeholders ample opportunities to communicate their key areas of interest to us. Examples of the feedback we received during the reporting period, and our responses, are detailed below.

Q “Besides supporting SMEs, how does Hang Seng promote financial inclusion in our community?”

A

We have many initiatives designed to promote financial inclusion across the community. Our SimplyFund platform reduces the entry level for young or novice investors, with low transaction costs and a minimum investment of HK\$1. We have also lowered the minimums for various investment products, including investment funds, capital protected investment deposit, maxi-interest investment deposit and FX & precious metal trading services in late 2019, and maintained throughout 2020.

Our mobile branches provide access for the elderly and people living in remote areas. (See [Improving Access for All](#) in Our Customer to learn more about these services)

We also offer young people and their families the tools and knowledge to manage their finances and enhance their future financial security. Our pioneering [eSmart Financial Education Programme](#), a partnership with the Hong Kong Family Welfare Society, focuses on educating Hong Kong primary school students about digital transactions and money concepts. In partnership with the Hong Kong Association of Banks, our volunteers also delivered digital banking knowledge to local youths and elderly people via an online workshop and sharing session.

In addition, we prioritise approval of our [Inno Booster Loans](#) for innovation and technology start-up companies. These loans support their growth by fuelling their growing business operations and hiring their talents.



Q “How does Hang Seng drive the local sustainability agenda?”

A

As a home-grown financial institution, Hang Seng shares the drive, determination and dreams of the people of Hong Kong. We strive to build a prosperous and sustainable future for our industry and for our city.

Hang Seng will roll out a new [ESG strategy](#) in 2021. Our vision is to be a domestic leader in Hong Kong, driving sustainability. We have set out environmental targets, aiming to achieve carbon-neutral operations by 2030. Meanwhile, we are strengthening our green and sustainable solutions to assist our customers' transition to a low-carbon economy. (See [Our ESG Journey](#) to find out more about our aspirations and strategies)

Alongside our new ESG strategy plan, we will continue to adhere to our Sustainability Risk policies, where we conduct robust assessments before lending to high-risk sectors. (See [Being Proactive to Manage Risk](#))

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From Feedback to Action

Q “How does the Bank contribute to sustainability?”

A

Our Green Financing Promotion Scheme encourages corporate customers to acquire environmentally friendly equipment that contributes to sustainable development. In 2020, we also launched a Greenness Assessment programme to support their green loan applications, with second opinions and green credentials provided by a qualified third-party verifier (see [Promoting Sustainable Finance](#) in Our Customers).

Meanwhile, we continually promote sustainable investment concepts and ESG products. To make it easier for customers to identify ESG products, we added an ESG Fund filter to our Fund SuperMart landing page and an ESG label to the details of those funds.

As an investment fund manufacturer, we exercise active stewardship and have established a proxy voting guideline to demonstrate our responsible investment commitment. We seek to communicate with the investee companies for better ESG management and accountability through casting votes against proposals being inconsistent with ESG principles. As a fundamental investor, we are establishing our strategy to penalise stocks with poor ESG scores by selling out the stock eventually.



Memberships of Industry Associations

We demonstrate our values, and keep up-to-date with industry trends, via membership of various associations. These include:

- Business Environment Council Limited
- Employers' Federation of Hong Kong
- Federation of Hong Kong Industries
- The Hong Kong Association of Banks
- The Hong Kong General Chamber of Commerce
- The Hong Kong Green Finance Association
- The Hong Kong Institute of Bankers
- Hong Kong Investment Funds Association
- The Hong Kong Management Association
- The Hong Kong Retirement Schemes Association
- Hong Kong Securities and Investment Institute
- The Institute of Financial Planners of Hong Kong
- International Chamber of Commerce – Hong Kong
- International Swaps and Derivatives Association, Inc.
- Treasury Markets Association