



Hang Seng aspires to become a leading entity to drive ESG in the banking industry

We are a constituent member of several sustainability indexes including:

- the Dow Jones Sustainability Asia Pacific Index (2011-2016, 2019, 2020)
- the FTSE4Good Developed Index (since 2001)
- the MSCI Pacific ex Japan SRI Index (since 2015)
- the Hang Seng Corporate Sustainability Index Series (since 2010)
- the Hong Kong Business Sustainability Index (since 2015)

Hang Seng is the first home-grown bank in Hong Kong to sign up as a supporter of the Task Force on Climate-related Financial Disclosure (TCFD).

Environmental, Social & Governance Report 2020 A Snapshot

The Hang Seng Bank Environmental, Social and Governance Report focuses on the environmental, social and governance (ESG) matters that impact our sustainability and that are of interest to stakeholders. This snapshot provides a summary of our key sustainability strategy, initiatives and achievements in 2020. For a full version of the Report, please visit www.hangseng.com.



Our ESG Strategy

We aspire to become a leading entity that drives ESG matters in the banking industry. Starting from 2021, we put our strategy into action with six implementation pillars:



Environmental Targets

Committing to being "carbon-neutral" by 2030



Sustainable Finance

Supporting our community's transition to a low-carbon economy with sustainable finance solutions



Youth

Investing in corporate social responsibility. We will continue to invest and encourage our younger generations to achieve shared goals



Climate Risk Management

Strengthening our risk management capabilities



Advocacy & Awareness

Earning recognition as an ESG leader from the community, investors and government bodies



Robust Disclosure

Putting in place the internationally recognised standards for ESG disclosure

Environmental



Highlighted targets¹ by 2030

- Key environmental target: To achieve “**carbon-neutral**”² in our operations
- Total electricity consumption **↓30%**
- Greenhouse gas emissions (Scope 1 and 2)³ **↓30%**
- Divert **80%** of waste away from landfills

Our progress

- Received **Renewable Energy Contribution Award** in the CLP Smart Energy Award 2020
- Greenhouse gas emissions (Scope 1 and 2)⁴ **↓8%**
- Diverted **66%** of waste away from landfills

Social



- **Highest rated banking services** in Hong Kong for **16 consecutive years**⁵
- **Customer satisfaction rate > 98%** in last 4 years⁵
- In 2020, approved two **green financing** applications totalling **HK\$495 million**
- **53% of Executive Committee members and 41% of our senior leaders are female**
- Number of **occupational fatalities = 0**
- **100%** employees trained
- Community investment in the past 10 years = **HK\$282 million**

Governance



- Established a **ESG Steering Committee** and 4 respective working groups to align and strengthen ESG governance
- Establishing **Climate Risk Management Framework**
- All directors and staff undertook various training on **values and conduct, including whistleblowing, anti-bribery and corruption**
- Our staff in Hong Kong received **over 55,900 hours** of policy and procedural learning on anti-bribery and corruption, anti-money laundering and sanctions, conduct, values and regulations
- **Mandatory cybersecurity training** for all staff
- In 2020, we have **1,550 contracted suppliers** and **> 91%** of them are located in Hong Kong
- **No non-compliance** with laws and regulations that resulted in significant fines or non-monetary sanctions was recorded in 2020

¹ Using 2018 as base year

² Through our commitment to reducing electricity consumption and Scope 2 greenhouse gas emissions, and sourcing some of our electricity from renewable energy schemes organised by local providers

³ This target excludes the carbon emissions reduction resulting from the purchase of renewable energy certificates from local electricity providers

⁴ Compared the total greenhouse gas emissions from 1 Oct 2019 to 30 Sep 2020 with that from 1 Oct 2017 to 30 Sep 2018

⁵ According to the Banking Industry Monitoring Study 2020 conducted by independent research firm, the Nielsen Company (Hong Kong) Limited