

Governance

Our Stakeholders

We proactively engage with stakeholders who are highly influential to our business, and those could be affected by our operations significantly. The stakeholder groups include customers, staff, shareholders, suppliers, business partners, regulators and the wider community. Understanding their concerns helps us to better meet or even exceed their expectations and concerns regarding our governance, management and sustainability.

To prepare our ESG Report, we conduct stakeholder engagement exercises annually. In 2021, we conducted an online survey with staff, and collected a total of 1,759 responses. We also arranged interviews with selected senior management representatives and external stakeholders. 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.

Engaging Our Stakeholder Community

Stakeholders were also engaged regularly via the following channels in 2021:

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 	<ul style="list-style-type: none"> • Loyalty events • Satisfaction surveys • Online community • Net Promoter System
Shareholders	<ul style="list-style-type: none"> • Annual general meeting • Corporate communications 	<ul style="list-style-type: none"> • 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 • Business briefings • Town hall meetings hosted by the Chief Executive and business/function heads • Regular exchange meetings hosted by the Chief Executive and managers 	<ul style="list-style-type: none"> • Symposiums • Forums hosted by businesses/functions to profile their work and expose staff to internal opportunities • Employee representation on staff retirement committee • Intranet • Staff mobile app • Morning broadcasts • Volunteer activities • Community investment programmes and communications
Business analysts and investors	<ul style="list-style-type: none"> • Results publications • Announcements and circulars to shareholders 	<ul style="list-style-type: none"> • Annual general meeting • Investor Relations meetings

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Stakeholders	Primary methods of engagement	
Business partners	<ul style="list-style-type: none"> • Calls • Meetings 	<ul style="list-style-type: none"> • Reports
Regulators	<ul style="list-style-type: none"> • Meetings • Compliance reports • On-site/ Off-site inspections 	<ul style="list-style-type: none"> • Ad hoc enquiries • Circulars and guidelines
Media	<ul style="list-style-type: none"> • Briefings • Press materials 	<ul style="list-style-type: none"> • Senior leaders' interviews • Results announcements
Non-governmental organisations (NGOs)	<ul style="list-style-type: none"> • Volunteer activities • Community investment programmes and communications 	<ul style="list-style-type: none"> • 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"> • In-depth consultations • Memberships 	<ul style="list-style-type: none"> • External audits • Index assessments and questionnaires
Suppliers	<ul style="list-style-type: none"> • Risk management processes • Due diligence processes 	<ul style="list-style-type: none"> • Performance reviews • Visits and meetings

From Feedback to Action

The key feedback that we received from our stakeholders during the reporting period and our responses are detailed below.

Championing local business

Building lasting partnerships with SMEs is one of our key focuses. By working with these businesses, we support the local economy and help create employment opportunities and wealth.

"Biz-Virtual+" account, a new-tier of bank accounts was launched in 2021 to facilitate access to banking facilities for start-ups and new businesses. New customers enjoy a wide range of privileges, including a monthly fee waiver with no minimum total relationship balance requirements for the first two years. To make account opening more convenient for enterprises, we introduced Remote Account Opening service to enable a fully online business account application in as fast as three days. While we have further strengthened our digital capabilities to support SMEs' daily banking requirements, we also maintained strong offline relationship management with customers.

In 2021, our commitment to serving SMEs earned us the SME Engagement Outstanding Award from the Bloomberg Businessweek Financial Institution Awards 2021 and Best Bank for SMEs, Hong Kong from Asiamoney.

We are committed to acting as a springboard for entrepreneurs in Hong Kong and across the Greater Bay Area to scale new heights. We established strategic alliance with business partners, such as Hong Kong Cyberport Management Company Limited, Hong Kong Trade Development Council, and Hong Kong Science and Technology Parks Corporation, to empower the next generation of innovators.

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Environmental management

Various energy saving measures have been implemented to assure energy efficient operations. For example, all electrical equipment in our core buildings are programmed to switch off after office hour; operating time of most of our branches' bulkhead signage has been shortened. In support of the government's climate action, three of our office buildings and some of large-scale branches have enrolled in the Energy Saving Charter 2021 scheme and the 4T Charter scheme.

Sustainable finance

In addition to green loans offered to corporate customers since 2018, Hang Seng introduced sustainability-linked loan programmes in 2021 to incentivise corporate customers to achieve predetermined sustainability performance targets ('SPTs'). The loan interest rates would be linked to whether the borrowers satisfy the predetermined SPTs. We partnered with HKQAA to launch a sustainability-linked loan assessment programmes to make it faster, easier and cost-effective for customers to access sustainability-linked financing.

We continue to promote ESG as a thematic investment idea in our products' digital journey by showing labels for ESG equity-linked investment products, enriching ESG investment page on our corporate website with educational materials, and also highlighting the ESG fund list in personal e-Banking fund exploration journey.

Membership 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

