



HANG SENG BANK

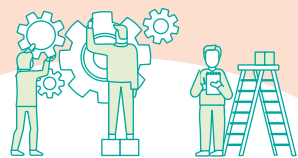
# Corporate Sustainability Report 2018 – A Snapshot

## In Concert with Our Community

The Hang Seng Bank Corporate Sustainability Report 2018 describes the Bank's efforts to support the principles of sustainable development during the calendar year of 2018. This snapshot provides a summary of our key sustainability initiatives and achievements in 2018. For a full version of the Report, please visit [www.hangseng.com](http://www.hangseng.com) >>>



Hang Seng Bank is named **Best Domestic Bank** for 19 consecutive years by *The Asset*, and won the **Best Corporate Financial Education Leadership of the Year** award at the Institute of Financial Planners of Hong Kong's inaugural Financial Education Leadership Awards 2018.



## Our Suppliers

- Nearly **100%** of our suppliers are located in Hong Kong
- **100%** suppliers required to fulfil and comply with our ethical code of conduct on ESG

## Our Performance



- Operating profit **HK\$27,947 million**
- Direct economic value generated<sup>1</sup> **HK\$41,220 million**
- Total assets **HK\$1,571,297 million**
- Direct economic value distributed<sup>2</sup> **HK\$29,339 million**

## Our Customers



- The **Most Recommended Bank by Customers** in Hong Kong for 14 consecutive years
- Customer satisfaction rate **over 90%**<sup>3</sup>
- **Serving over 3.5 million** customers in Hong Kong
- Introduced **Green Financing Promotion Scheme** to support sustainable development of corporate customers
- Launched numerous **fintech initiatives** to expand the digitalisation of our services and distribution channels

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

<sup>2</sup> 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

<sup>3</sup> According to the Banking Study 2018 conducted by independent research firm Kantar Hong Kong



## Our Community



- Community investment **HK\$32 million**
- Held over **1,250** CSR and volunteer activities, reaching over **2.5 million** people
- Voted as having the **best corporate social responsibility reputation** among local banks and financial services for 11 consecutive years<sup>4</sup>

## Our Corporate Governance



- Board approved the effectiveness of managing the Bank's ESG risk and its internal control systems
- **No non-compliance** with laws and regulations that resulted in significant fines or non-monetary sanctions
- Independently assessed and confirmed that the Bank's personal internet banking met **all data privacy requirements** as stipulated in Hong Kong Monetary Authority's policy



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

- FTSE4Good Developed Index
- MSCI Pacific ex Japan SRI Index
- Hang Seng Corporate Sustainability Index Series
- Hong Kong Business Sustainability Index

## Our People



- Close to **10,000** full-time equivalent staff of which **60% are female**
- Number of **occupational fatalities = 0**
- Lost day rate **0.99 (≈ 56%)**
- **Enhanced** medical coverage and leave entitlements
- Promote '**speak up, speak out**' culture via a series of town hall and exchange meetings

## Our Environment



- Received **Peak Demand Management Outstanding Award** at CLP's inaugural Smart Energy Awards
- **e-Statement + e-Advice + shareholder e-communication service** **≈ 85.5 million sheets of paper**
- Greenhouse gas emissions per staff<sup>5</sup> **≈ 13.2%**
- Energy consumption per staff<sup>6</sup> **≈ 13.5%**
- **100%** compliant paper used<sup>7</sup>

<sup>4</sup> According to the survey conducted by the University of Hong Kong's Public Opinion Programme

<sup>5</sup> Compared the total greenhouse gas emissions per full-time equivalent employee from 1 Oct 2017 to 30 Sep 2018 and from 1 Oct 2016 to 30 Sep 2017

<sup>6</sup> Compared the total energy consumption per full-time equivalent employee from 1 Oct 2017 to 30 Sep 2018 and from 1 Oct 2016 to 30 Sep 2017

<sup>7</sup> Paper certified by an HSBC-approved certification scheme. Currently includes FSC, Canadian Standards Association, etc.