

**FROM OUR SUPPORT OF EDUCATION, COMMUNITY  
SERVICE, THE ARTS AND SPORTS DEVELOPMENT  
TO THE ENVIRONMENTALLY SUSTAINABLE  
PRACTICES WE FOLLOW IN OUR OPERATIONS...**

**CORPORATE SOCIAL RESPONSIBILITY**





**OUR CARE FOR THE COMMUNITIES IN WHICH WE  
SERVE IS A REFLECTION OF OUR COMMITMENT  
TO CORPORATE SOCIAL RESPONSIBILITY.**





Hang Seng's tradition of Corporate Social Responsibility begins with the founders of Hang Seng Bank, who believed they had a duty to share with the community what they had gained from it.

Corporate Social Responsibility is a strategic imperative of Hang Seng. As a socially and environmentally responsible organisation, we are committed to enhancing the quality of life of the communities in which we serve, as well as promoting sustainable practices in our operations.

In 2001 our Bank was included as a constituent stock of the FTSE4Good Global Index, which measures the performance of companies using globally recognised standards of corporate responsibility to facilitate investment in those companies. Hang Seng was also named a Caring Company for 2003/04 and 2004/05 by the Hong Kong Council of Social Service in recognition of our exemplary corporate citizenship.

### A BETTER COMMUNITY

We believe in contributing to the well-being of the community and the future of the younger generation through philanthropic and sponsorship activities focused on education, community service, the arts and sports development.

In support of education, we awarded 129 scholarships to local and mainland China students in 2004. This took the total number of scholarships we have awarded since 1995 to over 800 and the total value to about HK\$40 million.

Under the Hang Seng Overseas Scholarship Scheme, six students from Hong Kong and the Mainland took up places at Princeton, Harvard, the University of Chicago and the London School of Economics and Political Science during the year. The number of Hang Seng Scholars who have

(Left) Hang Seng Scholars receive awards under the Bank's Overseas Scholarship Scheme.

(Middle) The Bank's Green Ambassadors promote environmental awareness as part of Hang Seng's Go Green campaign.

(Right) The Hang Seng Athlete Incentive Awards Scheme awards athletes for their remarkable performance at the 2004 Olympic and Paralympic Games in Athens.

received awards under the Overseas Scholarship Scheme since 1996 now stands at 40.

Our support for education in the Mainland continued in 2004 with the rebuilding of another school under the Sowers Action programme, whose goal is to improve basic education in the Mainland. Through this programme, Hang Seng has donated more than HK\$1.5 million since 1999 for rebuilding four schools in less developed areas of the Mainland, benefiting over 1,700 students.

Under the "Hang Seng Bank Blossom with Music" programme, the Bank provides schoolchildren with opportunities to appreciate music. A total of 56,000 students took part in this programme in 2003-04, taking the total since 1998 to about 300,000 students. One of this year's programme highlights was a concert by the Hong Kong Philharmonic Orchestra in the Penthouse of the Bank's headquarters for more than 100 children from special schools.

To promote vigilance against crime among young people, we sponsored the Hang Seng Bank – Help The Police Fight Youth Crime Competition in 2004. This biennial competition organised by the Hong Kong Police drew a record 120,058 entries. In the 6th China Golden Awards for Excellence in Public Relations, the 2002 competition won the only Gold Award in the Community Relations category.

Hang Seng has also been supporting the Ming Pao Student Reporters Programme since 1999 to familiarise secondary school students with the media and improve their language skills. Over 3,000 students have participated.

## ENCOURAGING EXCELLENCE

At Hang Seng we encourage the development of sports for their value in promoting a healthy and balanced way of life. In addition, we support talented athletes in the community in their pursuit of excellence.

The Bank's initial three-year programme for the sponsorship of the Hang Seng Table Tennis Academy ended in 2003, benefiting more than 40,000 participants since the Academy's establishment in 2001. The Bank announced its continued sponsorship of the Academy for 2004-06, and the number of participants is expected to increase to over 51,000. This will bring the Bank's total sponsorship for the Academy to HK\$7.3 million and for the promotion of table tennis since 1991 to about HK\$20 million.

In order to recognise the hard work and achievements of local athletes, we sponsored the Hang Seng Athlete Incentive Awards Scheme organised by the Hong Kong Sports Institute. A total of HK\$1.56 million was awarded to eight Hong Kong Olympic athletes for their remarkable performance at the 2004 Olympic Games in Athens. For participants in the Paralympics, the Bank awarded a total of HK\$962,000 to 12 medallists.

Over HK\$4 million has been disbursed to 31 Hong Kong athletes for their achievements since the inception of the Hang Seng Athlete Incentive Awards Scheme in 1996.

## A TRADITION OF GIVING

In 2004 Hang Seng made charitable donations and corporate sponsorships amounting to HK\$22 million, up from HK\$13 million in 2003, including donations to the Hong Kong Red Cross in support of the Indian Ocean tsunami disaster relief effort.

The Bank took part in the fundraising activities of the Community Chest, such as Dress Casual Day. Paid special leave is given to staff who take voluntary service training, such as that provided by the Auxiliary Medical Service, the Auxiliary Police Force and Civil Aid Service.

During the year, we sent out 700,000 fund-raising inserts in customer bank statements on behalf of various charitable organisations.



Hang Seng also provides its design services, event management expertise and other services to selected charitable organisations and non-profit sponsorship partners free of charge.

To facilitate customer donations to charities, we launched an e-Donation service in 2001.

### VOLUNTEER ACTIVITY

The Bank's staff members participate in voluntary activities, such as tree planting, beach cleaning and visiting the elderly and orphanages. The Bank's senior executives also contribute their time, taking up roles and positions with charitable organisations and public bodies.

In 2004 our staff contributed over 47,600 hours of their time to help 2,778 people.

In recognition of the Bank's volunteer efforts, Hang Seng received the Champion of High Service Hour Award 2002 (Private Organisation) from the Social Welfare Department.

### THE ENVIRONMENT

Socially responsible companies today recognise that they have a role to play in promoting sound environmental policies and to help support sustainable development throughout society.

As a good corporate citizen, we are committed to following practices in our operations that create minimal adverse impact on the environment.

An Environmental Management Committee was set up in December 2002 to oversee the implementation of our environmental policy, which was launched in January 2003 with the approval of the Board. In July 2004 we established an environmental management system (EMS) for the Bank's headquarters, which enables us to identify significant environmental impacts in our operations and sets out the processes for reducing those impacts.

The Bank's commitment to its environmental policy was reflected in its awarding in January 2005 of ISO 14001 certification for its EMS at the headquarters. Hang Seng was the first local financial institution in Hong Kong to receive this internationally-recognised certification.

Our environmental policy and practices govern our lending criteria, customer services, staff, supplier relations and community relations.

We follow the Equator Principles in our lending to customers. These Principles set guidelines for addressing environmental and social risks in project financing. In our credit decision-making process, we expect customers to comply with the appropriate environmental laws and regulations in their respective industries.

We have increased our efforts to save resources in-house and in our customer transactions by promoting electronic communications and services. Reflecting the success of these efforts, the number of personal e-Banking customers now exceeds 440,000.

Our customers can also take advantage of Hang Seng's series of e-Cards, the most comprehensive of any local financial institution. Since the launch of this service four years ago, over 240,700 e-Cards – including Christmas cards with an environmental theme – have been sent by customers.

What's more, we have developed corporate items and publicity materials that make use of recycled or environmentally-friendly materials. These include name cards, pocket diaries, posters, corporate gifts, and, since 1994, our annual report.

Our "Hang Seng Go Green" campaign encourages staff to be environmentally conscious in all of our operations. As a result, we have stepped up efforts to reduce energy and water consumption, minimise waste generation and increase recycling.

To promote green practices among staff, a Bank-wide Green Ambassador Scheme was set up in 2003. The Bank's environmental progress is supervised by the Managing Director and Chief Operating Officer in his capacity as Green Champion.

Environmental Management System training has also been provided to more than 100 staff members, and an EMS training video was produced for distribution to all departments. Starting in 2004, monthly environmental inspections have been carried out and an annual EMS audit conducted in the Bank's headquarters.

We have planted 30,000 trees at Shek O Country Park and Tung Tze, Tai Po through the Agriculture, Fisheries and Conservation Department's Corporate Afforestation Scheme.

The Bank supports WWF Hong Kong as a diamond corporate member.

## ENVIRONMENTAL PERFORMANCE

	2004	2003	2004 vs 2003
Greenhouse gas emission per person (tonnes CO <sub>2</sub> /FTE)	<b>3.62</b>	3.74	-3%
Greenhouse gas emission per m <sup>2</sup> (tonnes CO <sub>2</sub> /m <sup>2</sup> )	<b>0.21</b>	0.21	-
Greenhouse gas emission (kilotonnes CO <sub>2</sub> )	<b>26.2</b>	26.4	-1%
Energy consumption per person (kWh/FTE)	<b>4,657</b>	4,781	-3%
Energy consumption per m <sup>2</sup> (kWh/m <sup>2</sup> )	<b>276</b>	273	+1%
Energy consumption (GWh)	<b>33.79</b>	33.81	-0.1%
Water consumption per FTE (m <sup>3</sup> /FTE)	<b>13.9</b>	18.5	-25%
Water consumption (000 m <sup>3</sup> )	<b>101</b>	131	-23%
Paper/cardboard waste recycled (tonnes)	<b>799</b>	759	+5%
IT/electrical waste reused (tonnes)	<b>37</b>	33	+12%

Data coverage : Hang Seng Bank's local operations

### Abbreviations:

CO<sub>2</sub> : carbon dioxide  
 FTE : full-time equivalents  
 GWh : gigawatt-hours  
 kWh : kilowatt-hours  
 m<sup>2</sup> : square metres  
 m<sup>3</sup> : cubic metres