



A woman with long dark hair, wearing a white long-sleeved shirt with a green logo and the text 'Volunte Team' and '模範工廠' (Model Factory), is smiling and holding a large red balloon. She is standing in a grassy field with a line of trees in the background under a blue sky with light clouds. The red balloon is very large and occupies the left side of the frame.

CARING for the Community

Our involvement in social and environmental initiatives is an important way for us to share our success with those communities which helped create it. It is also our contribution to the long-term development of society.

We serve our community in the same way we serve our customers – from the heart.



As a good corporate citizen, Hang Seng understands that success and responsibility go hand in hand. We are committed to improving the social and environmental well-being of the communities in which we operate as well as promoting sustainable practices within our business.

In 2006, we were named Green Enterprise of the Year by the Federation of Hong Kong Industries for our work to improve our environmental performance. The first local bank to attain ISO 14001 certification, we have environmental management systems in place at our Central headquarters building and at Hang Seng Tower in Kowloon Bay, covering a total area of 54,000 square metres.

Our corporate citizenship programmes have seen us recognised as a Caring Company by the Hong Kong Council of Social Service every year since 2003.

In 2001, we became a constituent stock of the FTSE4Good Global Index, which tracks the performance of companies that meet international standards of corporate responsibility.

In 2006 we published our first corporate social responsibility report online. This document also serves as an important internal benchmark for measuring our social and environmental performance.

Community Action

Our community initiatives focus on education, the environment, social welfare, and arts and sports development. Including the HK\$21 million given in 2006, our financial support of charities and community sponsorships in the past 10 years totals more than HK\$180 million.

Charitable donations in 2006 include HK\$1.5 million to The Community Chest of Hong Kong which works with 139 local welfare agencies and HK\$1 million to funds and trusts that provide welfare and educational support for Hong Kong Police Force officers and their families.

In mainland China, we gave RMB500,000 to the Shanghai Charity Foundation to help with teaching deaf children how to manage their disability and live life to the fullest. The donation is being used to upgrade and improve teaching equipment, facilitate staff training and purchase hearing aids.

Hang Seng's key corporate responsibility statistics for 2006

- making HK\$21 million in donations and community sponsorships
- contributing over 9,000 volunteer hours
- planting 10,000 trees
- saving 6.8 million sheets of paper
- reducing emissions (CO₂) by 1,100 tonnes

Our e-Donation service continued to make it easier for customers to support their chosen charities. Donations made through this online channel in 2006 topped HK\$1.1 million, bringing the total given since its launch in December 2001 to more than HK\$7 million.

As part of our emphasis on giving through service, we encourage individuals at all levels of our organisation to help those in need.

Senior management act as mentors and share their business experience through various educational programmes supported by the Bank.

In 2006, our Staff Volunteer Team gave over 9,000 hours of their time to participate in a wide spectrum of voluntary projects. Activities organised by the Bank included tree-planting in Ma On Shan Country Park, mooncake making and hairdressing services for the elderly and a Christmas party for chronically ill children. Staff often bring their family and friends to lend a hand with our community work, which helps spread the volunteer spirit even wider.

We encourage individuals at all levels of our organisation to help those in need.

Our employees are equally generous with their donations, raising about HK\$400,000 for The Community Chest by participating in the 2006 Dress Special Day.

Developing Tomorrow's Leaders

Today's young people are tomorrow's leaders and youth development is a key focus of our corporate responsibility work.

We have a long history of supporting educational activities. Over the past decade, we have allocated more than HK\$78 million to various scholarship schemes and development programmes.

Since 1995, our scholarships have helped over 960 outstanding students from Hong Kong and the Mainland pursue educational excellence at tertiary institutions in Hong Kong and overseas.

In partnership with Junior Achievement Hong Kong, around 40 of our executives assisted secondary students participating in the New Leaders Programme to explore ethical leadership and the development of sound values.

Designed to enhance young people's vigilance against crime, the 'Hang Seng Bank - Help the Police Fight Youth Crime Competition', organised by Hong Kong Police and sponsored by Hang Seng, received 125,000 entries in 2006, the highest since the biennial competition's launch in 1974.

Our support of the Ming Pao Student Reporter Programme and the Inter Post-Secondary College Debate Competition run by RTHK and the Hong Kong Federation of Students has offered around 4,700 young people the chance to improve their language skills, sharpen their powers



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of reasoning and learn more about current affairs.

Helping Arts And Sports Thrive

The arts help enrich communities by providing creative channels for the expression, exchange and experiencing of different cultural, social and personal ideas.

In 2007, we will continue our long-standing association with the Hong Kong Arts Festival through our sponsorship of the Festival finale, Tango Buenos Aires.

The benefits of perseverance, teamwork and adopting an active lifestyle are just some of the positive lessons provided by participating in sport.

Since 1991, we have given over HK\$20 million to support the development of table tennis in Hong

Kong. In 2001, we co-founded the Hang Seng Table Tennis Academy which promotes the sport and helps promising players and coaches to hone their talents. The Academy organised over 700 activities in 2006, benefiting more than 24,000 participants.

A Better Environment For All

Our concern for the environment begins with our own operations and extends into our relationships with customers, suppliers and the wider community. We continue to take actions to minimise the negative impacts of our business, engage in activities that have a positive effect on the environment and promote greater responsibility through our investment and financing policies.

Our Environmental Management Committee implements and monitors our environmental management

system, particularly compliance with ISO 14001 requirements.

Launched in 2003, our 'HANG SENG Go Green Staff Awareness Campaign' encourages employees to strive for continual improvement in environmental performance and helps raise awareness through various staff communication channels. Our Chief Operating Officer is the bank's Green Champion.

Initiatives taken in 2006 include upgrading our headquarters building management system and installing energy-saving light bulbs in all Bank-owned public areas around the building. These two energy efficiency programmes will reduce our annual electricity consumption by about 4 per cent, saving approximately HK\$550,000.

We continually monitor our use of resources and encourage the adoption of recycled or environmentally responsible materials. We have an established system for paper, plastic and aluminum can recycling and make efforts to find a new home for equipment and materials that we can no longer use. In 2006, we donated over 2,300 pieces of serviceable IT hardware and related accessories to the Caritas – Hong Kong Computer Recycle Project. We also recycled about 11,000 toner cartridges, a year-on-year increase of 32 per cent.

We work with environmental organisations and our suppliers on enhancing our efforts to help conserve biodiversity. As part of these efforts, we do not serve shark's fin, endangered reef fish species or black moss at any Hang Seng function.



We are a member of the Carbon Disclosure Project, under which the world's biggest institutional investors come together to consider the business implications of climate change.

Social and environmental considerations form an important part of our lending and financing policies and we incorporate environmental risk assessments into our credit decisions. We support the Equator Principles, which are used to assess and manage environmental and social risks in project financing. We also have guidelines for lending to companies in environmentally sensitive sectors such as the chemical industry, forestry and freshwater infrastructure.

In January 2006, we launched a campaign to encourage customers

and shareholders to reduce their consumption of paper resources. We pledged to plant one tree for every shareholder who elected to receive Hang Seng shareholder communication materials in electronic format and for every 10 Hang Seng Personal e-Banking customers who switched from paper to electronic statements under our e-Statement service, up to a total of 10,000 trees.

In April, around 150 staff members and their families helped plant some of the 10,000 trees at Ma On Shan Country Park, bringing the total number of trees we have planted since 1999 to 50,000.

More than 130,000 Personal e-Banking accounts and 2,300 shareholders now receive materials electronically, resulting in an annual saving of about 6.8 million sheets of paper.

When dealing with suppliers, we make use of e-procurement and e-auction systems that help cut down on printed materials and lead times. New suppliers are required to go through an appraisal exercise that covers issues such as environmental practices and health and safety.

Our tender and agreement documents require suppliers to establish an environmental policy and support our environmental efforts by providing performance data on things such as resource use.

We continue to contribute to broader environmental programmes through sponsorship and support of green groups such as WWF Hong Kong, Friends of the Earth, Green Power and The Conservancy Association.

Environmental Performance

	2006	2005	2004	2006 vs 2005	2006 vs 2004
Greenhouse gas emissions per person (tonnes CO ₂ /FTE)	3.30	3.61	3.62	-8.6%	-8.8%
Greenhouse gas emissions per m ² (tonnes CO ₂ /m ²)	0.20	0.21	0.21	-4.8%	-4.8%
Greenhouse gas emissions (kilotonnes CO ₂)	25.3	26.4	26.2	-4.2%	-3.4%
Electricity consumption (GWh)	34.1	33.3	32.9	+2.4%	+3.6%
Gas consumption (GWh)	0.82	0.86	0.86	-4.7%	-4.7%
Water consumption (000 m ³)	70.4	91.1	100.6	-22.7%	-30.0%
Paper/cardboard waste recycled (tonnes)	794.1	828.5	798.7	-4.2%	-0.6%
IT/electrical waste reused (tonnes)	41.7	38.8	37.0	+7.5%	+12.7%
General office waste (tonnes)	591.0	532.7	941.9	+10.9%	-37.3%

Data coverage: Hang Seng Bank's Hong Kong operations

Remarks

CO₂: carbon dioxide

FTE: full-time equivalent

GWh: gigawatt-hours

m²: square metres

m³: cubic metres