

Bank On  
*Our Commitment*



We are contributing to a

*brighter tomorrow*

through investments in a wide range  
of social and environmental programmes  
in our local communities

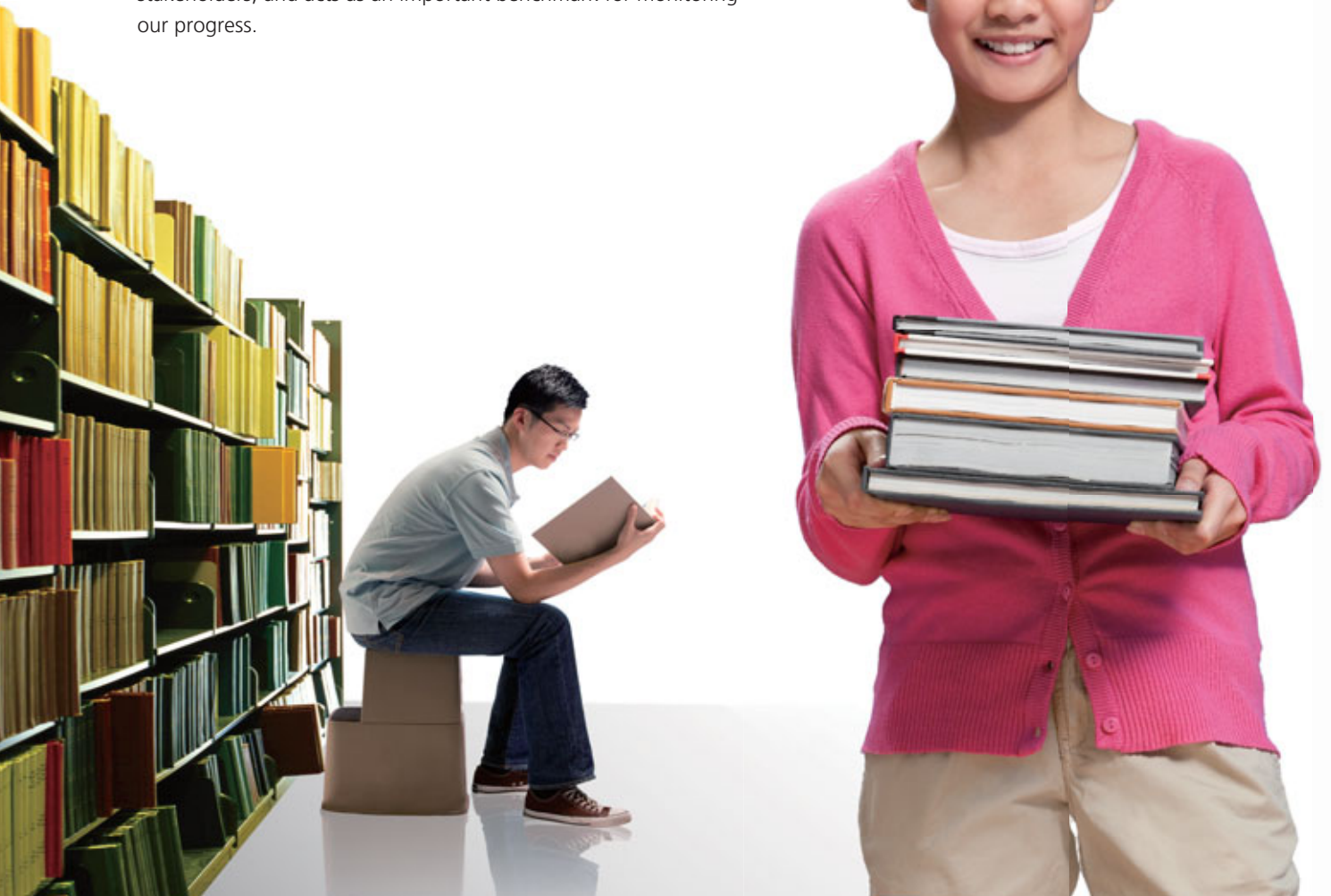
## CORPORATE RESPONSIBILITY

Sustainability is central to Hang Seng's strategy. Our operational practices and business principles emphasise long-term growth, lasting partnerships and increasing shareholder value.

We use resources in a responsible manner and encourage our stakeholders to do the same. Investment in our staff reflects their status as our most valuable assets. We work to promote the development and well-being of the communities that support us.

Our efforts to fulfil our responsibilities as one of Hong Kong's largest corporate citizens have earned us widespread recognition. We have been a constituent member of the FTSE4Good Global Index – which tracks companies that meet international standards of corporate responsibility – since 2001. We were the first local financial institution in Hong Kong to attain ISO 14001 accreditation, which now covers 90 per cent of our office premises. Our 'Go Green' environmental programme received a Silver Award at the 2008 China Golden Awards for Excellence in Public Relations.

We produce an annual online corporate responsibility report that gives more detail on our approach to sustainability and relationships with stakeholders, and acts as an important benchmark for monitoring our progress.





Over 1,400 students from Hong Kong and the Mainland have benefited from Hang Seng Bank Scholarships.

### WORKING FOR A BETTER TOMORROW

We participate in a wide range of community development initiatives, focusing particularly on the environment, education, social welfare and sports. In the past 10 years, we have provided about HK\$182 million in donations and sponsorships, including more than HK\$23 million in 2008.

The global response to the snowstorms that hit mainland China's central and southern regions and the earthquake that devastated parts of Sichuan province highlights what can be achieved with a can-do spirit and a common goal. We donated a total of HK\$3 million to the relief and rehabilitation efforts through our support of the Hong Kong Red Cross and our sponsorship of the Catastrophe Management Initiative, initiated by The University of Hong Kong and Beijing Normal University, which provided a forum for national and international experts to discuss solutions to post-quake challenges.

We continued our long-standing support of The Community Chest of Hong Kong, donating HK\$3.3 million to aid its 144 beneficiary organisations. This included HK\$1 million raised as part of our 75th Anniversary celebrations in March and record-breaking staff donations of nearly HK\$474,000 for Dress Special Day. The Bank matched staff contributions dollar-for-dollar for a total donation of HK\$948,000. Over the past 20 years, we have given more than HK\$43 million to the Chest. We also provide expertise, with several members of senior management serving on Chest committees.

This commitment to community service is visible at all levels of our organisation. In 2008, our Staff Volunteer Team spent over 11,000 hours participating in social welfare and environmental activities – including hosting Christmas parties and table tennis fun days for disadvantaged children, arranging home visits and a festive dinner for the elderly, and working with green groups to promote the conservation of

natural resources. The team also gave over 230 man-hours to help paint a mural at Queen Mary Hospital in Hong Kong under the Mural Painting Programme organised by Art in Hospital.

Our e-Donations service helped customers give over HK\$6 million to charitable causes in 2008.

### Investing In Hong Kong's Future

Our strategy for long-term development includes investing in tomorrow's decision-makers and helping them build sound values for the future. Since 1995, we have allocated about HK\$54 million to various scholarship schemes, benefiting over 1,400 students from Hong Kong and the Mainland.

To encourage good citizenship among young people, we launched the Community Service Scholarship Scheme in 2008, which rewards outstanding undergraduate students from 10 local tertiary institutions who contribute to society through voluntary service.



Participation in the 'Hang Seng Bank – Help the Police Fight Youth Crime Competition' reached a new high in 2008.



Hang Seng's involvement in a Mainland biogas energy project has been recognised as a corporate citizenship commitment under the Clinton Global Initiative.

A record 130,000 individuals took part in the 'Hang Seng Bank – Help the Police Fight Youth Crime Competition', which we sponsored for the eighth consecutive time. And in partnership with the Independent Commission Against Corruption, we enabled over 500 youngsters to explore the importance of positive values beyond wealth through the medium of film.

Our sponsorship of the Ming Pao Student Reporter Programme and the Inter Post-Secondary College Debate Competition enables students to learn about the power of strong communication skills in facilitating the exchange of ideas and fostering critical thinking.

To celebrate the diversity of talent that helps create a strong society, in September we gave children with specific learning disabilities or attention deficit disorder the chance to showcase their creative and artistic skills at an 'Inspiration Day' organised with The Pathways Foundation.

### Playing To Win

Participation in sports provides valuable lessons in setting personal goals, working to exceed expectations, and the benefits of teamwork, perseverance and determination.

In 2008, we shared in the pride of China's achievement in hosting a spectacular Olympic Games. Through the Hang Seng Athlete Incentive Awards Scheme, organised by the Hong Kong Sports Institute, we were honoured to award over HK\$1.4 million to Hong Kong Olympic and Paralympic athletes who displayed courage and commitment to attain sporting excellence. Since 1996, the Scheme has given about HK\$8.6 million to local sports heroes who set positive examples and inspire young people with outstanding performances at major national and international games.

Since 1991, we have provided over HK\$25 million to support the development of table tennis in Hong Kong. The Hang Seng Table Tennis Academy we established in 2001 has

nurtured a large pool of young talent and provided more than 130,000 people with the chance to improve their sporting skills through around 2,650 courses, workshops and events.

### CARING FOR THE ENVIRONMENT

Protection of the natural environment should be of concern to everyone. We are working to reduce the negative environmental impacts of our business, increase our participation in activities that have beneficial effects, and be a positive influence on the environmental practices of our stakeholders. This focus has helped us remain carbon neutral since 2007.

Our Environmental Management Committee implements and monitors our environmental management system, particularly compliance with ISO 14001 requirements. We promote green messages through internal communication channels and conservation-focused activities for staff and their families.

We continue with efforts to reduce the consumption of resources by

raising awareness, replacing less efficient systems with more efficient ones, reusing items whenever it is possible and making efforts to recycle when it is not.

In 2008, we replaced the air-cooled chillers in our headquarters building with water-cooled ones. This will cut our electricity consumption by about 1.9 million kWh per year, resulting in an annual saving of HK\$2.4 million in energy costs and reducing our carbon dioxide emissions by more than 1,700 tons.

We have achieved recycling rates of 90 per cent for toner and printer ink cartridges and 98 per cent for obsolete computer equipment. Our electronic document initiatives are saving about 10 million sheets of paper a year.

Organised in partnership with the Federation of Hong Kong Industries, the Hang Seng Bank Pearl River Delta Environmental Awards recognise manufacturing companies in southern China that are taking steps to enhance their environmental performance. In June 2008, we awarded a total of HK\$330,000 to 12 winners for their efforts to reduce their ecological footprint.

For a second consecutive year, we helped protect the environment while improving lives on the Mainland by sponsoring The Conservancy Association's biogas energy project. In December, Bank volunteers traveled to a village in Yunnan province to help build 300 biogas toilets that will provide about 1,200 villagers with renewable energy. In addition to reducing annual firewood needs

and carbon dioxide emissions by 750 tons and 3,750 tons respectively, the project will also help slow the pace of soil erosion resulting from deforestation and produce a residue that can be used as a natural fertiliser. This project was recognised as a Clinton Global Initiative (CGI) corporate citizenship commitment at the 2008 CGI Asia meeting held in Hong Kong.

We also partnered with The Conservancy Association to organise a 'Tree Lovers Day' at Kowloon Park in November. Attended by over 2,000 people, the event was designed to explain the importance of tree conservation to the public.

We are involved in the Eco-Explorer programme, organised by Friends of the Earth (HK), which offers school-age children the opportunity to

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Hang Seng is working to promote improved environmental performance in the manufacturing industry through the 'Hang Seng Bank Pearl River Delta Environmental Awards'.

investigate the natural world through on-site observation. We are also helping raise environmental awareness at nine Hong Kong tertiary education institutions through workshops, training and other green activities under our HK\$14 million 'Hang Seng – Green Bank' initiative.

Environmental and social considerations form an important part of our financing decisions. We encourage responsible business in ecologically sensitive industries through sector-specific lending policies and incorporate environmental factors in our credit risk assessments. We support the Equator Principles, which

are used to manage environmental and social risks in project financing.

Our tender and agreement documents require suppliers to establish an environmental policy and our evaluation of any potential new supplier includes consideration of its environmental performance.

We engage with environmental organisations and our suppliers to help conserve biodiversity through sustainable sourcing. We stopped serving shark's fin at Hang Seng functions in 2003 and have since extended this ban to include endangered reef species and black moss. We comply with

the guidelines set out in WWF Hong Kong's *Seafood Guide*.

We advocate continual learning through dialogue with stakeholders and industry peers. We exchange information and ideas on critical sustainability issues through active participation in a variety of professional groups, including the Carbon Disclosure Project and the Climate Change Business Forum.

We also lend our support to events designed to raise awareness of issues that affect the well-being of our community. In June, we participated in the Lights Out campaign organised by Friends of the Earth (HK).

## ENVIRONMENTAL PERFORMANCE

	2008	2007	2006	2005	2004	2008 vs 2007	2008 vs 2006
Greenhouse gas emissions per person* (tons CO <sub>2</sub> /FTE)	3.28	3.30	3.30	3.61	3.62	-0.6%	-0.6%
Greenhouse gas emissions per m <sup>2</sup> * (tons CO <sub>2</sub> /m <sup>2</sup> )	0.20	0.20	0.20	0.21	0.21	0%	0%
Greenhouse gas emissions* (kilotons CO <sub>2</sub> )	27.4	26.7	25.3	26.4	26.2	2.6%	8.3%
Electricity consumption (GWh)	38.1	35.9	34.1	33.3	32.9	6.1%	11.7%
Gas consumption (GWh)	0.42	0.70	0.82	0.86	0.86	-40%	-48.8%
Water consumption (000 m <sup>3</sup> )	50.8	54.1	70.4	91.1	100.6	-6.1%	-27.8%
IT/electrical waste recycled (tons)	64.9	59.0	41.7	38.8	37.0	10.1%	55.6%

Data coverage: Hang Seng Bank's Hong Kong operations

Key:

FTE: Full-time equivalent    m<sup>2</sup>: Square metres    m<sup>3</sup>: Cubic metres    CO<sub>2</sub>: Carbon dioxide    GWh: Gigawatt hours

\* Hang Seng Bank's Hong Kong operations were carbon neutral in 2008

