





COMMITMENT

COMMUNITY
BETTERMENT

CORPORATE RESPONSIBILITY

Hang Seng Bank has a longstanding and unwavering commitment to community betterment.



As one of Hong Kong's largest corporate citizens, we place a strong emphasis on engaging in sustainable business practices, supporting community development initiatives and raising awareness of social and environmental issues among our staff and the general public.

We work to continuously improve the sustainability of our operations and encourage customers and suppliers to do the same through our procurement, investment and financing policies.

In 2011, Hang Seng became the first local bank in Hong Kong to be included as a constituent stock on the Dow Jones Sustainability Asia Pacific Index, which tracks the performance of companies that lead the field in terms of corporate sustainability.

In other international recognition of our corporate sustainability performance, the Bank has been a constituent member of the FTSE4Good Global Index since 2001.

Over the past decade, we have allocated more than HK\$217m in donations and community sponsorships – including about HK\$25m in 2011 – to support various environmental, education, community and sports development programmes.

Our annual Corporate Responsibility Report, available on our website since 2006, provides more details of our sustainability principles, relationships with key stakeholders and major corporate social responsibility projects. In 2011, the Bank became the first local bank in Hong Kong to publish its Corporate Responsibility Report using Global Reporting Initiative guidelines. Not only does this increase the credibility of the information we report, it also ensures the Bank's own measurements are in line with widely recognised global practices.

60,000

Young people benefiting from education programmes

25,000 HOURS

Community service by staff and their families





Staff volunteers pose with villagers in Yunnan province whose lives have been changed by a Bank-sponsored biogas project providing 6,600 villagers to date with renewable energy.

GREEN INITIATIVES

We nurture a culture of environmental responsibility in our business. In addition to reducing the environmental impacts of our operations, we engage in activities that encourage our stakeholders to adopt good environmental practices.

Our Environmental Management Committee implements and monitors our environmental system. In 2011, we became the first local bank in Hong Kong to attain the internationally recognised ISO 14001 certification for all offices and branches. Our Hong Kong operations have been carbon neutral since 2007.

The Bank strongly supports environmental initiatives in the broader community. We encourage manufacturing companies in Hong Kong and the Pearl River Delta to enhance their environmental performance by recognising their green achievements in the annual Hang Seng Pearl River Delta Environmental Awards, which are held jointly with the Federation of Hong Kong Industries. Nearly 2,000 environmental projects have been implemented since the Awards were launched in 2007.

The 2010/11 Awards attracted a record entry of 182 participating companies and 651 environmental projects, which represented an increase of 26% and 17% respectively compared with the previous year.

28,000,000 sheets

Paper saved through electronic statements



Projects entered in the 2010/11 Awards collectively reduced waste by 630,000 tonnes – an amount that would cover Shing Mun Reservoir about 226 times. The projects also cut water usage by 2.95 million tonnes (the volume of 740 standard 50-metre swimming pools) and electricity consumption by over 85 million kWh (equivalent to the electricity consumed annually by 13,000 average four-member families). In addition, almost 11,000 tonnes of materials have been recycled (equivalent to an area covering about 300 Victoria Parks).

In recognition of our contributions to the green movement in the Pearl River Delta region, the Awards received the overall Most Creative Campaign Award as well as a Certificate of Merit in the corporate social responsibility category of the Hong Kong Public Relations Awards in April 2011.

In November 2011, staff volunteers travelled to Yunnan province to assist in a Bank-sponsored project organised by the Conservancy Association, under which biogas facilities were made available to 550 households this year, providing renewable energy to 2,200 local villagers. This brings the total number of

households benefiting from biogas facilities constructed since 2007 under this project to 1,650, providing renewable energy to around 6,600 villagers in Yunnan – saving approximately 3,740 tonnes of firewood per year (equivalent to about 8,250 acres of forest) and cutting annual carbon dioxide emissions by approximately 18,700 tonnes.

Through our e-Statement and e-InvestAdvice services, we encourage our e-Banking customers to reduce the consumption of resources by receiving statements and notices in electronic rather than paper format. By the end of 2011, subscribers to the e-Statement service had increased to over 510,000 and customers using the e-InvestAdvice service had risen to more than 103,000 – collectively saving over 28 million sheets of paper a year.

We are playing our part in helping to conserve biodiversity. We comply with the WWF Hong Kong's Seafood Guide. We stopped serving shark's fin at Bank functions in 2003, and have since extended this policy to include endangered reef fish species and black moss. In 2011, we introduced a sustainable seafood menu endorsed by WWF Hong Kong at the Bank's banquet hall.



In 2011, we reduced energy consumption per full-time employee by 1.9%. We also recycled more than 4,000 pieces of obsolete computer equipment and nearly 14,000 pieces of toner and printer ink cartridges, saving about 66 tonnes of electronic waste.

The Bank promoted green messages to staff, suppliers and customers through various channels, including talks, training, seminars and outings. In November and December 2011, about 160 staff and their family members helped collect 150 bags of trash during a beach cleaning campaign in Lung Kwu Chau organised by the Eco-education and Resource Centre in support of the International Coastal Cleanup campaign. We continued our tradition of making a donation to charity in lieu of sending Christmas cards.

Social and environmental considerations are an important element of our financing decisions. We include environmental factors in our credit assessments and support the Equator Principles, which address sustainability risks in project financing. We also follow sector-specific guidelines for financing activities in ecologically sensitive industry sectors.

We are a participant in the Carbon Disclosure Project, which provides a forum for the world's largest institutional investors to collectively consider the business implications of climate change.

EDUCATION INITIATIVES

Given the crucial role that education plays in community betterment, we reached out to about 60,000 young people in 2011 through more than 30 Bank-supported education programmes.

Since 1995, we have provided more than HK\$56m under various scholarship schemes, benefiting over 1,700 outstanding students from Hong Kong and mainland China.

We continued to support youth development programmes, working with the Hong Kong Federation of Youth Groups to produce the "Hang Seng Bank Leaders to Leaders Lecture Series", which gives students the opportunity to engage in direct dialogue with prominent community leaders. With "Modern China – Mapping Out Our New Future" as the 2011 theme, over 300 students took part in each of the 10 lectures that were held.

The Ming Pao Student Reporter Programme, which we have sponsored for over a decade, benefited about 500 students from 200 schools. The programme, which uses media



Bank-supported education programmes benefited about 60,000 young people in 2011.

training activities to improve participants' critical thinking and language skills as well as promote a better understanding of current affairs, has benefited nearly 7,000 students in the past 15 years.

We maintained our strong support for the arts, which enrich communities by providing a variety of channels for debate and the exchange of ideas. Since 2007, our sponsorship of various student ticket schemes has helped open up access to artistic performances for more than 72,000 young people.

In a new initiative, we helped launch the Hang Seng Bank – Fight Against Women's Illiteracy 2011 campaign, organised by Aide et Action Education Foundation, to support basic education for about 15,000 illiterate rural women on the Mainland.

In other new programmes, the Bank sponsored exclusive shows by the Hong Kong Repertory Theatre for more than 2,000 students from low income families in commemoration of the 100th anniversary of the Xinhai Revolution under the Boundless Movement – Hang Seng Bank Student Matinees. The Bank also supported the Hang Seng Bank – The Chinese Youth Film Contest 2011, organised by the Hong Kong Federation of Youth Groups, which attracted about 1,000 entrants from the Mainland, Taiwan and Hong Kong.

In collaboration with the Pathways Foundation, we helped children with specific learning disabilities and attention deficit/hyperactivity disorders to explore their potential and alternative ways of learning through a series of after-school activities and family workshops.



COMMUNITY INITIATIVES

Beyond work, our staff volunteer their time and skills to serve the community and help make a difference.

In 2011, our staff and their family members collectively contributed about 25,000 hours to community service, an increase of about 30% from the previous year. The Bank organised more than 100 volunteer activities. These activities included a murals painting project in a hospital, visits to places of interest for underprivileged children, festival lunches and hairdressing for the elderly, and environmental and conservation activities.

As a long-term supporter of the Community Chest of Hong Kong, which provides funding for 150 charities in Hong Kong, we have made donations of more than HK\$28m to the organisation over the past decade. Matching staff donations on a dollar-for-dollar basis, we raised over HK\$1.1m for the Chest's annual Dress Casual Day campaign in 2011.

In partnership with the Regeneration Society, we promoted the importance of positive life values through the Hang Seng Bank – Regeneration Society Top Ten Regeneration Warriors Programme, which highlighted the stories of 10 selected "Regeneration Warriors" who had overcome chronic illness to live rewarding lives. We also invited the warriors to share their stories with a wider community, including our staff.

The Bank facilitates charitable donations by customers through our e-Donation channel. In 2011, about HK\$2.26m was raised for over 60 charitable organisations via this online service. Nearly HK\$22m has been donated to deserving causes since the launch of the service in December 2001.

For the eighth consecutive year, we were named a Caring Company by the Hong Kong Council of Social Service.

SPORTS INITIATIVES

The Bank recognises the importance of sports in promoting commitment, determination and teamwork within the community, and is a keen supporter of local sports development.

The Hang Seng Table Tennis Academy, which celebrated its 10th anniversary in 2011, has built greater awareness of

table tennis among the community and helps hone the talents of rising young stars in the sport. Since its establishment in 2001, over 3,700 activities have been held for more than 190,000 participants, including over 20,000 participants in 2011. Activities held during the year included two fun days for more than 300 underprivileged children.

We have provided more than HK\$31m since 1991 to fund table tennis training and development programmes for players and coaches.

In order to recognise the hard work and achievements of top local athletes, cash incentives will be awarded to outstanding performers at the 2012 Olympic and Paralympic Games in London through the Hang Seng Athlete Incentive Awards Scheme, a joint initiative with the Hong Kong Sports Institute. Since 1996, the Scheme has given out over HK\$26.6m to local athletes.

We strive to promote a good work-life balance among our staff by offering a wide range of sporting and recreational activities. The total number of participants in various sports activities exceeded 20,000 in 2011. To foster strong team spirit, we organised a family fun day and six sporting events – badminton, ten-pin bowling, table tennis, golf, basketball and football – under the Hang Seng Cup.

ENVIRONMENTAL PERFORMANCE

	2011	2010	2009	2008	2007	2011 vs 2010 (%)	2010 vs 2009 (%)
Greenhouse gas emissions per person* (tonnes CO ₂ /FTE)	2.96	3.01	3.13	3.28	3.3	-1.90%	-3.76%
Greenhouse gas emissions per m ² * (tonnes CO ₂ /m ²)	0.16	0.17	0.17	0.2	0.2	-1.66%	-1.50%
Greenhouse gas emissions* (kilotonnes CO ₂)	23.62	23.97	24.52	27.4	26.7	-1.44%	-2.26%
Electricity consumption (GWh)	36.30	35.32	36.5	38.1	35.9	2.77%	-3.24%
Gas consumption (GWh)	0.38	0.39	0.4	0.42	0.7	-3.76%	-1.36%
Water consumption (000 m ³)	65.88	71.16	55.85	50.8	54.1	-7.41%	27.40%
IT/electrical waste recycled (tonnes)	66.02	50.84	85.03	64.9	59	29.86%	-40.21%

Data coverage: Hang Seng Bank's Hong Kong operations

* Hang Seng Bank's Hong Kong operations have been carbon neutral since 2007.

Key:

FTE: Full-time equivalent

m²: Square metres

m³: Cubic metres

CO₂: Carbon dioxide

GWh: Gigawatt hours



Our staff help make a difference through their community service.