

As a good
corporate citizen,
we **Plan Ahead** to
protect the environment
and promote social
development for
future generations



Corporate Responsibility

Hang Seng has a strong tradition of contributing to the development of society.

Simply stated, we believe in the importance of service and putting people – customers, staff, shareholders and the wider community – at the heart of everything we do. This attitude has shaped our approach to business since our establishment in 1933.

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. A 2009 survey conducted by Oracle Added-Value among customers of eight major banks in Hong Kong ranked Hang Seng joint first for corporate citizenship.

Our annual online corporate responsibility report, available on our website, provides detail on our principles and actions as a good corporate citizen and our relationships with stakeholders. The report also serves as an important benchmark for assessing our social and environmental performance.

A COMMUNITY BANK

In the past 10 years, we have provided over HK\$211 million in donations and support – including more than HK\$29 million in 2009 – for social and environmental initiatives.

This commitment to giving is reflected at all levels of our organisation. Members of our senior management donate their time to take up positions with charities and public bodies. Our staff and their families logged over

17,000 hours in volunteer service in 2009 – 50 per cent more than in 2008.

We place emphasis on supporting events that promote social cohesion and inclusion. Our volunteers participated in home visits, day trips and special events for the elderly and underprivileged children in 2009. We worked with the Regeneration Society to celebrate the achievements of individuals who have overcome significant physical challenges to highlight the importance of positive life values. To bring cheer to chronically ill children, nearly 100 members of Bank staff and their families helped paint eight murals at the Children's Centre for Cancer and Blood Diseases at Queen Mary Hospital.

Through staff participation in the Dress Special Day, we raised over HK\$1.2 million for The Community Chest of Hong Kong, with the Bank matching staff donations on a dollar-for-dollar basis. Since 1997, we have donated more than HK\$12 million to The Chest through this annual fundraising event.

We also work to facilitate charitable giving by our customers. Since 2001, donations of more than HK\$16 million – including HK\$1.55 million in 2009 – have been made to a variety of worthy causes through our e-Donation service.



Investing In Our Future

Today's young people are tomorrow's leaders, making youth development a crucial element of our corporate responsibility efforts. We supported 35 programmes focusing on young people in 2009, allocating about HK\$6.5 million to nurturing talent and building positive life attitudes.

Since 1995, we have provided more than HK\$54 million under various scholarship schemes, enabling over 1,500 students from Hong Kong and mainland China to pursue educational excellence at tertiary institutions, including 188 individuals in 2009.

Our support of initiatives such as the Ming Pao Student Reporter Programme and the 'Protect Yourself from Crime and Predators Online' video competition organised by the Hong Kong Police Force help young people develop their creative and communications skills while gaining a greater awareness of current affairs and social issues.

Run in partnership with the Hong Kong Federation of Youth Groups, the Hang Seng Bank Leaders to Leaders Lecture Series provided over 300 secondary school students with opportunities to engage in direct dialogue with prominent community leaders on a wide range of topics related to China's development and position in the world.



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We worked with The Pathways Foundation to help children with specific learning disabilities and attention deficit / hyperactivity disorder to explore their potential and different ways of learning through a series of after-school programmes and workshops for parents.

Our sponsorship of student ticket schemes for the Hong Kong Arts Festival and the Hong Kong Philharmonic Orchestra – which enabled more than 20,000 students to attend performances at half price – are making arts more accessible for young people.

Playing To Win

Under the Hang Seng Athlete Incentive Awards Scheme, we were proud to recognise and reward the outstanding achievements of Hong Kong's athletes at the 11th National Games in Shandong and the 5th East Asian Games held in our home city. In partnership with the Hong Kong Sports Institute (HKSI), we awarded 203 Hong Kong medallists about HK\$7.2 million. These outstanding sportsmen and sportswomen not only bring honour to Hong Kong, but also provide lessons about the importance of commitment, determination and

teamwork, and act as inspirational role models for future generations of athletes at all levels of ability. Since 1996, Hang Seng and the HKSI have distributed over HK\$15 million in incentives to 280 exceptional Hong Kong athletes.

The Hang Seng Table Tennis Academy organised more than 350 activities in 2009 – including training courses, assessment tests and championships – that helped over 18,000 individuals hone their table tennis skills. With support from Bank volunteers, we held two table tennis fun days for underprivileged children at the Bank's Penthouse with the aim of using sport as a way to build self-esteem. In the past 14 years, we have spent more than HK\$25 million to develop table tennis in Hong Kong.

To promote staff health and the importance of a good work-life balance, we operate a gym at our MegaBox premises and encourage our employees to participate in a wide range of sporting and recreational activities.

A GREEN BANK

Our concern for the environment begins with our own operations and extends into our relationships with customers, business partners and the wider community. As part of our commitment to continual improvement, we take steps to minimise the ecological footprint of

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our business, engage in activities that have a positive impact on the environment, and encourage responsible behaviour through our investment and financing policies.

We established an Environmental Management Committee in 2003, which implements and monitors our environmental management system. In 2005, we became the first local financial institution in Hong Kong to achieve ISO 14001 certification – gained for our headquarters building. We achieved accreditation for our Hang Seng Tower and MegaBox offices in 2006 and 2008 respectively, and, in 2009, our network of 25 branches on Hong Kong Island received certification. We have been carbon neutral since 2007.

In 2009, we reduced our greenhouse gas emissions per full-time equivalent employee by 4.6 per cent.

By replacing the air-cooled chillers of the air-conditioning system at our headquarters building with water-cooled chillers, we cut our annual electricity consumption by about 1.9 million kWh and annual carbon dioxide emissions by over 1,700 tons. Modifications to the lighting systems in our ATMs reduced their electricity consumption by around 330,000 kWh per year – an energy saving of 33 per cent.

We recycled more than 7,300 pieces of obsolete computer equipment, weighing

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over 85 tons, and about 14,000 toner and printer ink cartridges.

We continue to work with the business community on environmental issues through the Hang Seng Bank Pearl River Delta Environmental Awards. Run in partnership with the Federation of Hong Kong Industries, the Awards encourage and reward sound environmental practices by manufacturing companies in Hong Kong and the Pearl River Delta. More than 120 companies engaged in over

400 environmental projects took part in the 2008/09 Awards, representing significant reductions in air emissions, waste generation, water use and electricity consumption.

We employ technology to help save resources by promoting the use of electronic transaction and communication channels. More than 334,000 e-Banking customers now use our e-Statement service under which they receive their account statements in PDF rather



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than paper format. Over 62,000 customers have made a similar switch for investment advice under our e-InvestAdvice service. These electronic initiatives are saving over 18 million sheets of paper a year.

Our efforts to raise the environmental awareness of our staff also benefit local communities. Working with The Conservancy Association, we facilitated the construction of another 300 biogas toilets in Yunnan province with sponsorship and the active participation of Bank volunteers who travelled to rural areas to assist with the project. To date, we have supported the construction of 500 biogas toilets that save a total of 1,250 tons of firewood and reduce carbon dioxide



emissions by 6,250 tons per year. In Hong Kong, staff volunteers have helped clean up beaches, supported reforestation efforts at country parks, and attended talks

and lectures that promote positive environmental messages.

Environmental considerations form part of our lending and financing

OVER
17,000
VOLUNTEER HOURS



policies and we incorporate environmental risk assessments into our credit decisions. We have specific guidelines for lending to companies in environmentally sensitive sectors such as forestry, the chemical industry and freshwater infrastructure.

We work to help conserve biodiversity by complying with the sustainability guidelines set out in WWF Hong Kong's *Seafood Guide*.

In 2003, we stopped serving shark's fin at Hang Seng functions and have since extended this policy to include endangered reef fish species and black moss.

In 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 performance and health and safety practices.

We support the Equator Principles and the Copenhagen Communique on Climate Change. We participate in the international Carbon Disclosure Project and in various environmental initiatives and campaigns organised by green groups including Friends of the Earth (HK) and WWF Hong Kong.

ENVIRONMENTAL PERFORMANCE

	2009	2008	2007	2006	2005	2009 vs 2008(%)	2009 vs 2007(%)
Greenhouse gas emissions per person* (tons CO ₂ /FTE)	3.13	3.28	3.30	3.30	3.61	-4.57	-5.15
Greenhouse gas emissions per m ² * (tons CO ₂ /m ²)	0.17	0.20	0.20	0.20	0.21	-15.00	-15.00
Greenhouse gas emissions* (kilotons CO ₂)	24.52	27.40	26.70	25.30	26.40	-10.51	-8.16
Electricity consumption (GWh)	36.50	38.10	35.90	34.10	33.30	-4.20	1.67
Gas consumption (GWh)	0.40	0.42	0.70	0.82	0.86	-4.76	-42.86
Water consumption (000 m ³)	55.85	50.80	54.10	70.40	91.10	9.94	3.23
IT/electrical waste recycled (tons)	85.03	64.90	59.00	41.70	38.80	31.02	44.12

Data coverage: Hang Seng Bank's Hong Kong operations

Key:

FTE: Full-time equivalent m²: Square metres m³: Cubic metres CO₂: Carbon dioxide GWh: Gigawatt hours

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