



TAKING THE LEAD

DEDICATION

COMMUNITY

EDUCATION

EMPLOYEES

ENVIRONMENT



As a leading corporate citizen in Hong Kong, our commitment to excellence extends beyond the provision of financial services.

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.

We take steps to raise awareness of social and environmental issues among our staff and the general public. We also provide financial and volunteer support for a variety of community development projects.

In 2010, we marked our 10th year as a member of the FTSE4Good Global Index, which tracks the performance of companies that meet internationally recognised standards of corporate responsibility. We have been named a Caring Company by the Hong Kong Council of Social Service every year since 2003.

In May, we received the Gold Award in the Financial, Insurance and Accounting Institutions Sector of the Hong Kong Awards for Environmental Excellence in recognition of our environmental initiatives.



Bank staff and their families gave about 20,000 hours in volunteer service.

Our annual corporate responsibility report, available online via our website since 2005, gives more details of our principles and activities as regards our interactions with stakeholders and provides a crucial benchmark for tracking our social and environmental performance.

DEEP COMMUNITY ROOTS

Over the past decade, we have provided more than HK\$207m in donations and community sponsorships – including about HK\$30m in 2010 – to support various educational, environmental, social welfare and sports development programmes.

We also give back through volunteer service, with members of staff and their family members collectively spending about 20,000 hours to serve the community in 2010. The Bank organised more than 100 volunteer activities – including craft and cooking workshops for underprivileged children, festive lunches for the elderly, and environmental and conservation activities.

We are a long-term supporter of The Community Chest of Hong Kong, which provides funding for 148 charities in Hong Kong, making more than HK\$28m in donations over the past decade. Matching staff contributions on a dollar-for-dollar basis, we raised about HK\$1.2m for The Chest's annual Dress Special Day campaign in 2010.

Our e-Donation channel makes it easier for customers to offer financial support to those in need, with about HK\$2.4m in donations reaching 60 charitable organisations in Hong Kong via this online service in 2010. More than HK\$19m has been donated to deserving causes since the service was launched in December 2001.



LEADERSHIP THROUGH EDUCATION

With our desire to contribute to a better future for our communities, we place a strong emphasis on youth development programmes. In 2010, we allocated over HK\$6m to educational initiatives.

Since 1995, we have given out more than HK\$54m under various scholarship schemes, providing financial support for about 1,500 outstanding students from Hong Kong and mainland China – including 190 in 2010.

We worked with the Hong Kong Federation of Youth Groups to produce the 'Hang Seng Bank Leaders to Leaders Lecture Series', which gives secondary school children the chance to engage in direct dialogue with prominent community and business leaders. With the theme of 'Hong Kong Today – Pass on the Wonders of Hong Kong', over 300 students took part in each of the 10 lectures organised under the series.

Designed to help raise awareness about crime-related issues and reduce criminal activity among young people, the biennial 'Hang Seng Bank – Help the Police Fight Youth Crime Competition' received a record 140,000 entries in 2010.

We continued to sponsor the Ming Pao Student Reporter Programme, which uses media training activities to improve participants' critical thinking and language skills as well as promote a better understanding of current affairs.

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

HK\$ 11 MILLION

awarded under Hang Seng Athlete Incentive Awards Scheme

In partnership with the Regeneration Society, we promoted the importance of positive life values and attitudes through the Hang Seng Bank Regeneration Society Top Ten Regeneration Warriors Competition, which highlighted the stories of 10 'Regeneration Warriors' who had overcome chronic illness to live rewarding lives.

The arts enrich communities by providing a variety of channels through which to express and exchange different social, cultural and philosophical ideas. Since 2007, our sponsorship of various student ticket schemes has helped open up access to artistic performances for more than 45,000 young people.

PROVIDING SPORTING INSPIRATION

Through the Hang Seng Athlete Incentive Awards Scheme (Scheme), a joint initiative with the Hong Kong Sports Institute, we provide financial support for top local athletes, who not only bring honour to Hong Kong but also offer lessons about the importance of commitment, determination and teamwork.

Having extended our sponsorship of the Scheme to include local medalists at the 2010 Asian Games and Asian Para Games held in Guangzhou, we were proud to award about HK\$11m to 82 athletes and 25 parathletes who returned home triumphant from these Games and serve as role models for future generations of sportsmen and sportswomen. Since 1996, the Scheme has given over HK\$26.6m to outstanding athletes.

We help hone the talents of rising young stars of table tennis, providing a total of HK\$31m since 1991 to fund training and development programmes for players and coaches. The Hang Seng Table Tennis Academy – which will celebrate its 10th anniversary in 2011 – gave over 22,000 individuals the opportunity to participate in a wide range of table tennis activities in 2010. With the objective of using participation in sport to build confidence and self-esteem, we invited more than 300 underprivileged children to participate in two table tennis fun days held at our Penthouse and hosted by Bank volunteers.

We strive to promote the importance of a good work-life balance among our staff by offering a wide range of sporting and recreational activities. To foster a strong team spirit and reinforce the importance of good communication and cooperation among colleagues, we organised four sporting tournaments – ten-pin bowling, table tennis, basketball and football – under the Hang Seng Cup, which attracted the participation of over 700 members of staff.



Over 22,000 people participated in Hang Seng Table Tennis Academy activities.



We allocated over HK\$6 million to educational initiatives.



A GREEN BANK

We operate our business in an environmentally responsible manner. We are working to reduce the negative environmental impacts of our own operations and participate in activities that positively influence the environmental practices of our staff, customers and the wider community.

Our Environmental Management Committee implements and monitors our environmental system. We achieved ISO 14001 compliance at our headquarters building in 2005 – making us the first local financial institution in Hong Kong to receive such accreditation – and have since attained certification for our Hang Seng Tower and MegaBox offices and all our street-level bank branches. We have been carbon neutral since 2007.

In October, staff volunteers travelled to Yunnan province to inspect a Bank-sponsored project organised by The Conservancy Association, under which 600 biogas toilets are providing renewable energy to about 2,400 people in local villages – saving approximately 1,500 tonnes of firewood per year (equivalent to about 375 acres of forest) and cutting annual carbon dioxide emissions by 7,500 tons. The Bank has now sponsored the construction of 1,100 biogas toilets in Yunnan, benefitting more than 4,600 people.

Launched jointly with the Federation of Hong Kong Industries, the Hang Seng Pearl River Delta Environmental Awards (Awards) are part of our commitment to working with the business community on environmental issues. By recognising the green achievements of participants, the Awards encourage manufacturing companies in Hong Kong and the Pearl River Delta region to enhance their environmental performance. The 144 companies that took part in the 2009/10 Awards submitted a total of 555 environmental projects – a 40% increase on the previous year. The collective impact of the projects includes reducing waste by about 140,000 tons and cutting electricity consumption by over 97 million kWh.

Other ways in which we are working with stakeholders to reduce the consumption of resources is through our e-Statement and e-InvestAdvice services, under which customers can choose to receive account statements and various investment notices in electronic rather than paper format. By the end of 2010, subscribers to the e-Statement service were up 30.3% compared with a year earlier at over 435,000 and customers using the e-InvestAdvice service had increased by 42.8% to more than 90,000 – collectively saving over 24 million sheets of paper a year.

As part of a three-year partnership with Friends of the Earth (HK), we planted 10,000 trees in Tuen Mun in 2010 and are helping to maintain the reforestation site. During The Conservancy Association's Tree-Caring Day, staff volunteers and their families helped tidy up a Bank-sponsored reforestation site in Ma On Shan. Since 1999, we have facilitated the planting of 70,000 trees in country parks in Hong Kong.

We are playing our part in helping to conserve biodiversity. We comply with the sustainability principles set out in 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.

We recycled more than 15,200 toner cartridges and over 2,800 items of computer equipment in 2010. We promoted green messages to staff through various channels, including talks, training, newsletters and in-house broadcasts, and environmentally themed outings. 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.



We organised more than 100 volunteer activities.

ENVIRONMENTAL PERFORMANCE

	2010	2009	2008	2007	2006	2010 vs 2009 (%)	2010 vs 2008 (%)
Greenhouse gas emissions per person* (tons CO ₂ /FTE)	3.01	3.13	3.28	3.30	3.30	-3.76%	-8.16%
Greenhouse gas emissions per m ² * (tons CO ₂ /m ²)	0.17	0.17	0.20	0.20	0.20	-1.50%	-16.28%
Greenhouse gas emissions* (kilotons CO ₂)	23.97	24.52	27.40	26.70	25.30	-2.26%	-12.54%
Electricity consumption (GWh)	35.32	36.50	38.10	35.90	34.10	-3.24%	-7.30%
Gas consumption (GWh)	0.39	0.40	0.42	0.70	0.82	-1.36%	-6.06%
Water consumption (000 m ³)	71.16[#]	55.85	50.80	54.10	70.40	27.40%	40.07%
IT/electrical waste recycled (tons)	50.84	85.03	64.90	59.00	41.70	-40.21%	-21.66%

Data coverage: Hang Seng Bank's Hong Kong operations

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

[#] The rise is largely due to the installation of water-cooled chillers for the air-conditioning system at the Bank's headquarters building, which has led to a reduction in electricity consumption.

Key:

FTE: Full-time equivalent

m²: Square metres

m³: Cubic metres

CO₂: Carbon dioxide

GWh: Gigawatt hours