



## Our Approach

Reflecting our understanding of the need to protect the planet for present and future generations, we make ongoing efforts to use fewer natural resources and to promote environmental responsibility. We operate our business in an environmentally conscious manner and advocate for good environmental practices in our relationships with stakeholders.

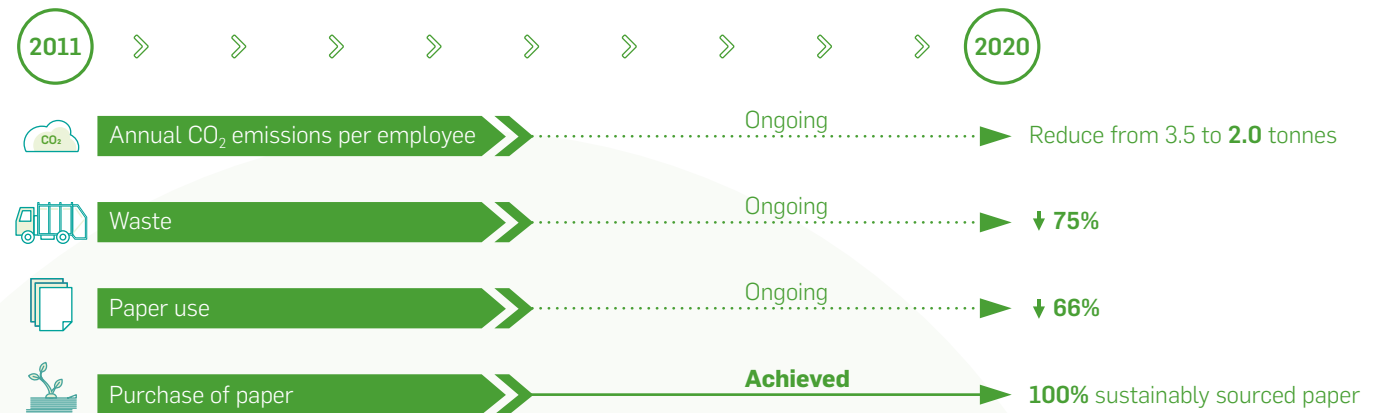
We are working to reduce our consumption of energy and natural resources, to reduce waste, and to use environmentally friendly products and services wherever possible. We ensure that our operations comply fully with environmental laws and regulations enacted by the Hong Kong Government. We use internal channels and engage in volunteer service to raise environmental awareness and communicate green values to our staff. We encourage our suppliers, business partners and customers to improve their environmental performance with our policies, services and community engagement activities.



We set annual targets for minimising the negative environmental effects of our business, and engage in activities that have positive impacts. We have also adopted HSBC Group's environmental strategic plan:

### HSBC Group's Short-term Goal to be Delivered by 2020

### Hang Seng's Progress in Support of the Group



By raising the awareness of green issues through various channels, including training and volunteer activities, we empower our staff to act as ambassadors for the environment. We also consider the environmental impact of our business travel policies, and are working to reduce nonessential travel through increased use of alternatives such as teleconferencing.

Our operations comply with the latest Hong Kong regulations and guidelines, such as Waste Disposal Ordinance (Cap. 354). In 2018, we did not identify any non-compliance with environmental laws or regulations.

We are aware of the business risks that extreme weather and climate change may present. To prepare for and minimise damage by typhoons, and to adapt to other forms of extreme weather, we commenced enhancement on the curtain wall at our headquarters in 2018.

We follow the HSBC Group's direction – mitigation, adaptation and finance – in tackling the global challenge of climate change. Through advocacy, our products and our services, we support our customers as they move quickly and smoothly towards a low-carbon economy. This policy is detailed in the [HSBC Group's Statement on Climate Change](#) >>>



## Greening Our Operations >>

As Hong Kong's first domestic bank to attain ISO 14001 certification for all offices and branches, we strive to lead by example in supporting the transition to a lower-carbon economy.

Our Environmental Management Committee was established under the [Environmental Policy](#) that we implemented in 2003. It is chaired by an Executive Committee member, and closely monitors our environmental management system (EMS) to ensure it continues to meet ISO 14001 standards.

The Committee is responsible for ensuring that our EMS and business strategies complement each other and support continual improvement in our environmental performance. It has set out a wide array of environmental instructions, such as green procurement and waste management. These guide our employees to adopt various green practices and achieve a greener workplace.

A number of our staff are trained as Green Ambassadors to support the implementation of our EMS. They also play a crucial role in raising awareness of environmental issues among their associates, families and friends, by providing regular updates on relevant policies and measures.

To help reduce energy usage and mitigate climate change, we have adopted certain measures in our buildings. For example, all lighting and air conditioning systems in Hang Seng core buildings are programmed – via the Building Management System – to switch off at a set time, typically 19:30. Also, unnecessary lift services in our office buildings are suspended during non-office hours.

We work towards designing and operating energy-efficient, sustainable office buildings that meet the highest international standards. On top of installing low-energy LED lighting, our newly renovated Hang Seng 113 office building has chilled ceiling and fresh air systems that, per year, use about 25% less energy than conventional air conditioning.

In 2017, Hang Seng 113 became Hong Kong's first domestic bank office building to be awarded Platinum certification – the highest attainable level – under the US Green Building Council's LEED (Leadership in Energy and Environmental Design) scheme. In 2016, our Hang Seng Tower office building attained LEED Gold certification for its fitting-out works.

During the year under review, Hang Seng launched a workplace enhancement programme that represents a shift from the traditional workplace towards a more progressive space. This includes employing activity-based work (ABW) design with shared seating to deliver a high-performance workplace with maximum utilisation, a variety of spaces, and also allow seamlessly integrated technology.

We employ contractors to remove construction waste generated by demolition and renovation. Our Corporate Real Estate team ensures that construction waste is taken only to Government-approved facilities. We communicate Hang Seng's waste-handling requirements to contractors and ensure that their waste management and handling meet the Bank's standards. When renovating offices, we look for ways to reuse furniture that is in good condition. To increase resource efficiency, we engage vendors to recycle furniture that can no longer be used.

We support the use of environmentally-friendly building materials and energy-efficient appliances in our premises. These include low volatile organic compound paints, LED lights, high-efficiency air conditioners and Grade-1-rated electrical appliances. Our efforts to be a responsible energy consumer earned the Peak Demand Management Outstanding Award at CLP's inaugural Smart Energy Awards.

We also ensure the provision of quality water. Hang Seng received the Gold Class Fresh Water Award for its headquarters and the Quality Fresh Water and Quality Flushing Water awards for Hang Seng 113. These are the result of our voluntary participation in the Quality Water Supply Scheme for Buildings, administered by the Water Supplies Department.



## Greening Our Operations >>

As at the end of December 2018, 48% of our credit card customers received electronic statements rather than physical copies. E-channels accounted for 47% of credit card applications and 96% of personal loan applications. Our e-Statement, e-Advice and shareholder e-communication services collectively saved 85.5 million sheets of paper in 2018. Through our e-Donation channel, we have helped our customers give more than HK\$40m to charitable causes since 2001.

We closely monitor our greenhouse gas emissions (see [Environmental Performance >>>](#)) and stay informed about environment-related regulatory developments that could directly or indirectly impact our business. We continue to participate in the Carbon Disclosure Project, which provides a forum for the world's largest institutional investors to consider the business implications of climate change collectively.

We support the conservation of biodiversity through our financing policies and within our operations. We stopped serving shark fin at Bank's functions in 2003 and subsequently removed endangered reef fish species from our menus. We also provide a WWF (Hong Kong)-endorsed sustainable seafood menu at our banquet hall.

## An Environmental Advocate

As one of Hong Kong's largest listed companies, we are well positioned to champion the cause of environmental stewardship. We strive to set a good example by continually improving the environmental performance of our operations. In addition, our investment and financing policies and support for external initiatives are designed to encourage our staff, customers and the wider community to take a broad, more engaged perspective on the importance of safeguarding natural resources and enhancing the environmental health of our planet.

For over a decade, we have worked with The Conservancy Association on a major environmental initiative in rural communities in Yunnan Province. Building on our success in constructing biogas facilities, we jointly launched a low-carbon village project near Yuxi in 2016. The project aimed to improve the living standards of village residents while reducing the burden on the natural environment, by providing low-carbon facilities such as solar panels and the means to cultivate higher value crop varieties. For more details, please refer to [Protecting Our Planet by Improving Livelihoods >>>](#) in Our Community.

In 2018, we supported The Conservancy Association's Hang Seng – CA Eco-Rangers orienteering event. This raised funds while promoting public awareness of environmental issues and the natural outdoor beauty of Hong Kong.

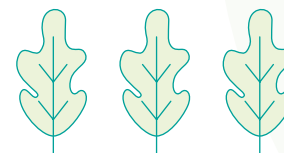
Hang Seng supports local NGOs and green groups as a corporate member and through various campaigns and initiatives such as

Friends of the Earth (HK)'s Power Smart Energy Saving Contest, WWF (Hong Kong)'s Earth Hour, the Green Power Hike and the Environmental Bureau's Charter on External Lighting.

Since 1999, we have planted approximately 93,000 trees in Hong Kong and on the Mainland.

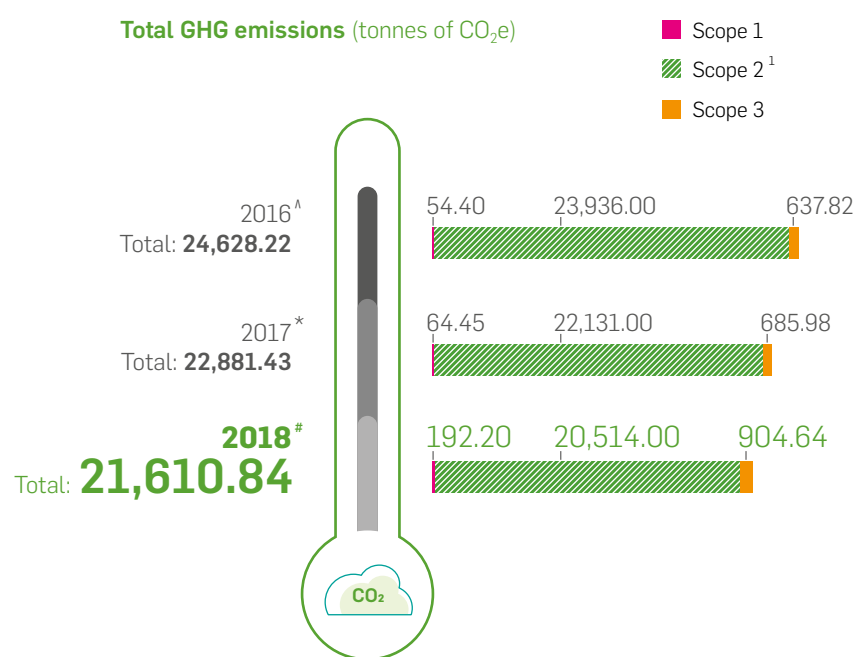


For over a decade, we have worked with The Conservancy Association on a major environmental initiative in rural communities in Yunnan Province.



## Environmental Performance >>>

### Greenhouse Gas (GHG) Emissions



GHG emissions	Unit	2018 <sup>#</sup>	2017 <sup>*</sup>	2016 <sup>^</sup>
<b>Scope 1</b>	tonnes of CO <sub>2</sub> e	<b>192.20</b>	64.45	54.40
• Stationary combustion	tonnes of CO <sub>2</sub> e	<b>79.32</b>	64.45	54.40
• Mobile combustion	tonnes of CO <sub>2</sub> e	<b>112.88</b>	N/A	N/A
<b>Scope 2<sup>1</sup></b>	tonnes of CO <sub>2</sub> e	<b>20,514.00</b>	22,131.00	23,936.00
• Purchased electricity	tonnes of CO <sub>2</sub> e	<b>20,496.00</b>	22,116.00	23,923.00
• Towngas	tonnes of CO <sub>2</sub> e	<b>18.00</b>	15.00	13.00
<b>Scope 3</b>	tonnes of CO <sub>2</sub> e	<b>904.64</b>	685.98	637.82
• Business travel (land and air)	tonnes of CO <sub>2</sub> e	<b>563.43</b>	342.98	305.82
• Transmission and distribution loss	tonnes of CO <sub>2</sub> e	<b>337.00</b>	343.00	332.00
• Upstream transportation and distribution (mobile branch)	tonnes of CO <sub>2</sub> e	<b>4.21</b>	N/A	N/A
<b>Total GHG emissions per FTE</b>	tonnes of CO <sub>2</sub> e / FTE	<b>2.56</b>	2.95	3.16
• Scope 1	tonnes of CO <sub>2</sub> e / FTE	<b>0.02</b>	0.01	0.01
• Scope 2 <sup>1</sup>	tonnes of CO <sub>2</sub> e / FTE	<b>2.43</b>	2.85	3.07
• Scope 3	tonnes of CO <sub>2</sub> e / FTE	<b>0.11</b>	0.09	0.08
<b>GHG emissions per sq ft</b>	tonnes of CO <sub>2</sub> e / sq ft	<b>0.016</b>	0.016	0.016

Data coverage: Hang Seng Bank's Hong Kong operations  
 Data is round up to 2 decimal places.

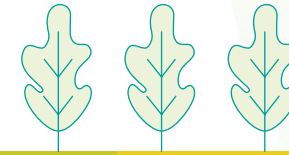
Key: CO<sub>2</sub>e: Carbon dioxide equivalent      FTE: Full-time equivalent employee<sup>2</sup>      sq ft: Square foot<sup>3</sup>

<sup>#</sup> From 1 Oct 2017 – 30 Sep 2018    <sup>\*</sup> From 1 Oct 2016 – 30 Sep 2017    <sup>^</sup> From 1 Oct 2015 – 30 Sep 2016

<sup>1</sup> Scope 2 greenhouse gas emissions were calculated based on electricity and towngas consumed as well as the corresponding emission factors as provided by the utility companies. The emission factor for CLP and Hong Kong Electric were 0.51 kg CO<sub>2</sub>e/kWh and 0.79 kg CO<sub>2</sub>e/kWh respectively, as of 2017.

<sup>2</sup> The number of full-time equivalent employees as at 30 Sep 2018, 30 Sep 2017 and 30 Sep 2016 was 8,452, 7,769 and 7,786, respectively.

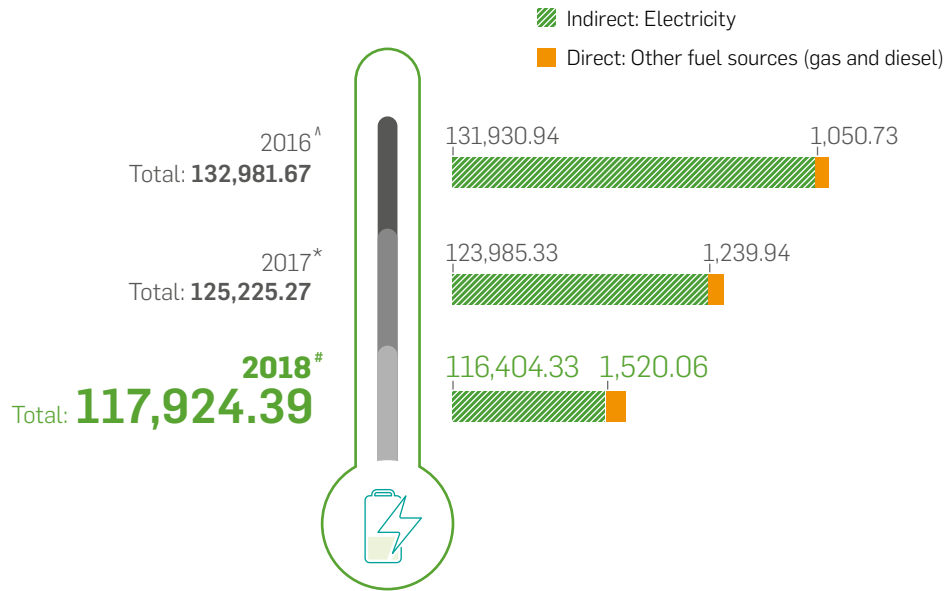
<sup>3</sup> The floor area as at 30 Sep 2018, 30 Sep 2017 and 30 Sep 2016 was 1,357,948, 1,427,358 and 1,635,975 sq ft, respectively.



## Environmental Performance >>>



### Total energy consumption (GJ)



	Unit	2018 <sup>#</sup>	2017 <sup>*</sup>	2016 <sup>^</sup>
<b>Energy consumption per FTE</b>	GJ/ FTE	<b>13.95</b>	16.12	17.08
<b>Energy consumption per sq ft</b>	GJ/ sq ft	<b>0.09</b>	0.09	0.09



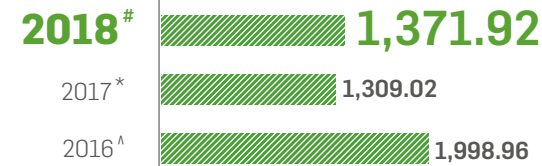
### Total water consumption<sup>1</sup> (000 m<sup>3</sup>)



	Unit	2018 <sup>#</sup>	2017 <sup>*</sup>	2016 <sup>^</sup>
<b>Water consumption per FTE</b>	m <sup>3</sup> / FTE	<b>9.36</b>	9.65	8.96



### Total paper consumption (tonnes)



**100% Compliant paper<sup>2</sup>**

Data coverage: Hang Seng Bank's Hong Kong operations  
 Data is round up to 2 decimal places.

Key: m<sup>3</sup>: Cubic metres    GJ: Gigajoules    FTE: Full-time equivalent employee<sup>3</sup>    sq ft: Square foot<sup>4</sup>

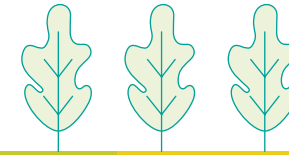
<sup>#</sup> From 1 Oct 2017 – 30 Sep 2018    <sup>\*</sup> From 1 Oct 2016 – 30 Sep 2017    <sup>^</sup> From 1 Oct 2015 – 30 Sep 2016

<sup>1</sup> Hang Seng 113 office building became fully operational in 2017. Freshwater is used for toilet flushing in this building as it is not covered by the Water Supplies Department's seawater supply system.

<sup>2</sup> Paper certified by an HSBC-approved certification scheme. Currently includes FSC, Canadian Standards Association, etc.

<sup>3</sup> The number of full-time equivalent employees as at 30 Sep 2018, 30 Sep 2017 and 30 Sep 2016 was 8,452, 7,769 and 7,786, respectively.

<sup>4</sup> The floor area as at 30 Sep 2018, 30 Sep 2017 and 30 Sep 2016 was 1,357,948, 1,427,358 and 1,635,975 sq ft, respectively.



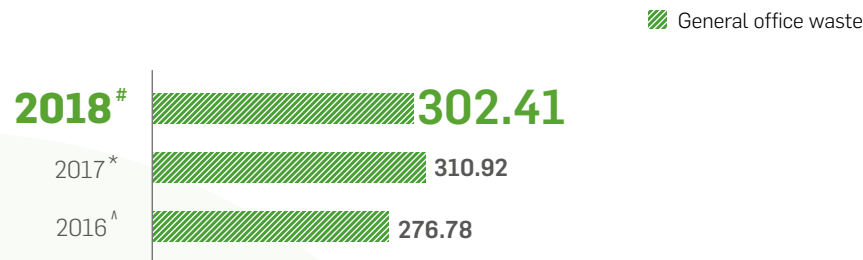
## Environmental Performance >>>



### Total waste collected for recycling (tonnes)



### Total waste disposed to landfill (tonnes)



	Unit	2018 <sup>#</sup>	2017 <sup>*</sup>	2016 <sup>^</sup>
<b>Waste disposed per FTE</b>	tonnes/ FTE	<b>0.04</b>	0.04	0.04

Data coverage: Hang Seng Bank's Hong Kong operations  
 Data is round up to 2 decimal places.

Key: FTE: Full-time equivalent employee<sup>3</sup>

<sup>#</sup> From 1 Oct 2017 – 30 Sep 2018    <sup>\*</sup> From 1 Oct 2016 – 30 Sep 2017    <sup>^</sup> From 1 Oct 2015 – 30 Sep 2016

<sup>1</sup> Relevant data has been collected for reporting since 2018.

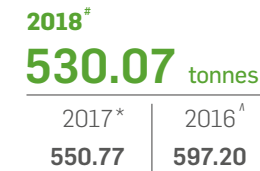
<sup>2</sup> IT and electrical waste which consists of flat panel display (FPD) and printed circuit boards (PCB) are classified as hazardous waste.

<sup>3</sup> The number of full-time equivalent employees as at 30 Sep 2018, 30 Sep 2017 and 30 Sep 2016 was 8,452, 7,769 and 7,786, respectively.

### Types of waste collected for recycling



Paper



Plastic



Aluminium cans



Glass<sup>1</sup>



Furniture



IT and electrical<sup>2</sup>

