

# Our Environment



We have established targets to **reduce our electricity consumption** and **Scope 2 greenhouse gas emissions** and to source electricity from renewable energy schemes hosted by local providers.



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

Our ambition is to achieve carbon-neutrality for our operations by 2030. Accordingly, we have established targets to reduce our electricity consumption and scope 2 greenhouse gas emissions and to source electricity from renewable energy schemes hosted by local providers.

**To minimise the negative environmental effects of our business, we implement environmental programmes to:**

 <p>promote energy efficiency, water saving, and reduction of our greenhouse gas emissions</p>	 <p>reduce consumption of materials to minimise waste</p>	 <p>dispose of waste in an environmentally responsible way</p>	 <p>promote recycling and the use of recycled or environmentally friendly materials</p>
 <p>minimise our use of chlorofluorocarbons (CFCs)</p>	 <p>give preference to suppliers and contractors with environmentally friendly practices</p>	 <p>adhere to all relevant environment, health and safety laws and regulations</p>	 <p>support environmental initiatives, partly through our community programmes</p>

# Our Environment

## Our Shared Responsibility

To tackle the global challenge of climate change, we embrace the [HSBC Group's aim](#) of supporting customers as they transition to a low-carbon economy. We are strengthening our financing for corporate customers' green projects and sustainable development, and increasing the total holding of green bond investments in our portfolio. (See [Promoting Sustainable Finance](#) in Our Customers)

To guide and monitor our environmental efforts, we set short, medium and long-term targets for energy consumption, water consumption, paper consumption, greenhouse gas emissions, and waste reduction and recycling. We made progress on these targets in 2020, but we are well aware that it is a combined result of the environmental reduction initiatives implemented by various business units and the COVID-19 impact of more employees working remotely from home and conducting virtual meetings.

Aspects	Base year	Our Progress	Short-term goals (by 2022)	Medium-term goals (by 2025)	Long-term goals (by 2030)
Electricity consumption	2018	▼ 8%	▼ 7.5%	▼ 15%	▼ 30%
Greenhouse gas emissions – total Scope 1 and 2*	2018	▼ 8%	▼ 7.5%	▼ 15%	▼ 30%
Water consumption	2018	▼ 9%	▼ 8%	▼ 14%	▼ 24%
Waste diversion	N/A	<b>Divert 66% of waste from landfill</b>	Divert 70% of waste from landfill	Divert 74% of waste from landfill	Divert 80% of waste from landfill
Paper consumption <sup>^</sup>	2019	▼ 10%	▼ 15%	▼ 22.5%	▼ 35%

\* This target excludes the carbon emissions reduction from the purchase of renewable energy certificates from local electricity providers.

<sup>^</sup> Data collection methodology for paper consumption was enhanced in 2019. To ensure comparability with future performance, 2019 is used as base year for the target instead.

## Our Environmental Management ■■■

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 low-carbon economy. We have established an [Environmental policy](#). We monitor our environmental management system (EMS) and ensure its ongoing compliance with ISO 14001 standards.



# Our Environment

## Our Environmental Management

Hang Seng has been undertaking a bank-wide office enhancement programme. This includes initiatives to make our workplaces more energy efficient and sustainable, with reference to internationally recognised standards. And to adopt green practices and achieve a greener workplace, we have guidelines regarding matters such as procurement and waste management.

A number of staff members are trained as Green Ambassadors to support the implementation of our EMS. They also raise awareness of environmental matters among their associates, families and friends, providing regular updates on relevant policies and measures.

Our operations comply with Hong Kong regulations and guidelines, such as the Waste Disposal Ordinance (Cap. 354) that governs the storage and disposal of electronic waste. In 2020, no judgements were entered against the Bank for breaching environmental laws or regulations.



### Greening our buildings

We aim for energy-efficient, sustainable buildings that meet the highest international standards. Hang Seng 113 was Hong Kong's first domestic bank office building to be certified Platinum – the highest attainable level – under the US Green Building Council's LEED (Leadership in Energy and Environmental Design) scheme. Our Hang Seng Tower building also attained LEED Gold certification for its fitting-out.



In our premises, we use environmentally friendly building materials and energy-efficient appliances. These include low volatile organic compound paints, LED lights, high-efficiency air conditioners and Grade-1-rated electrical appliances.

We have adopted measures to help reduce energy usage. For example, all lighting and air conditioning in our core buildings are programmed to switch off at a set time, typically 19:30. We limit the number of operating lifts after office hours and at weekends. In support of the government's climate action, three office buildings have been enrolled in the Energy Saving Charter 2020 scheme and the 4T Charter scheme.

Our workplace enhancement programme uses technology and digital solutions to achieve paperless working and to reduce storage space. This allows us to build meeting rooms and spacious breakout areas to support mobile and collaborative work. Fourteen floors at our headquarters were renovated in 2020.

Construction waste generated from demolition and renovation is handled by contractors and taken only to government-approved facilities. We ensure that contractors' waste management and handling meet our standards. When renovating offices, we try to reuse furniture that is in good condition.

To contribute to climate change mitigation, we actively explore opportunities to support local renewable energy generation. Solar panels will be installed at Hang Seng 113 to generate renewable energy. In 2020, we purchased Renewable Energy Certificates worth a total of 330 MWh from local electricity suppliers. Each unit in a certificate represents electricity produced by local renewable sources, such as solar, wind and landfill gas. Our efforts to support local renewable energy were recognised with a win at CLP Smart Energy Award 2020.

### ESG Interviews

We have in place comprehensive targets on how to reduce our environmental footprint over the next 10 years. This is because Hang Seng values an eco-friendly environment in all its operations by always exploring sustainable solutions and adopting new technologies to meet its own environmental ambitions.

**Eddie Chan**  
Head of Corporate Services

# Our Environment

## Our Environmental Management

Extreme weather and climate change present risks to our staff, buildings and business. To prepare for and minimise damage during the typhoon season, and to adapt to other extreme conditions, we have launched a 2-year overall façade enhancement programme in our headquarters since 2019. Uninterruptible Power Supply (UPS) is installed in all our three core buildings to support the operations of critical departments and ensure service continuity in times of power suspension.

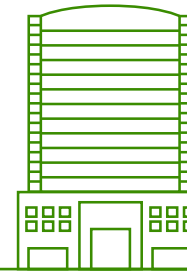
We currently hold the Gold Class Fresh Water Award for our headquarters and the Quality Fresh Water and Quality Flushing Water awards for Hang Seng 113. These are the



**Leadership in Energy and Environmental Design**



**Quality Flushing Water awards for Hang Seng 113**



**Planned installation of solar panels at Hang Seng 113**



**Reuse of cooling water for flushing**



results of our voluntary participation in the Quality Water Supply Scheme for Buildings, administered by Hong Kong's Water Supplies Department. We reuse cooling water for flushing in Hang Seng 113.

### Greening our customer communications

To reduce our paper usage, 66 per cent of our retail customer statements and advice slips were sent via electronic channels as of December 2020. This represented a year-on-year increase of over 10 percentage points in e-Advices and e-Statements. Meanwhile, 94 per cent of shareholders adopted our e-communication services in 2020. This saved over 16 million sheets of paper.

For Commercial Banking, 82 per cent of customer transactions were processed via digital channels in 2020. Those channels include our internet banking services, ATMs and automated electronics machine services. The transactions included payment transfers, autopay, deposits, payroll and ATM services. The year's charitable donations via digital channels totalled more than 410,000 in transaction count and HK\$47 million in amount.

## Advocating for the environment

As one of Hong Kong's largest listed companies, we are well positioned to champion environmental stewardship. We strive to set a good example by continually improving our performance. In 2020, our work in this area included:

### Partnership with The Conservancy Association:

We have been nurturing a low-carbon village model in Yunnan province since 2016, following the successful completion of a biogas initiative in the preceding 10 years.

### Hang Seng – CA Eco-Rangers:

We continued to support this signature orienteering competition. Owing to COVID-19, physical activities were replaced by online engagement activities to raise public awareness of environmental protection.

### WWF HK and the Business Environment Council's corporate membership programme, WWF HK's Earth Hour and Environmental Bureau's Charter on External Lighting:

Our participation demonstrates our commitment to protecting our community and planet.

### Quarterly internal newsletters:

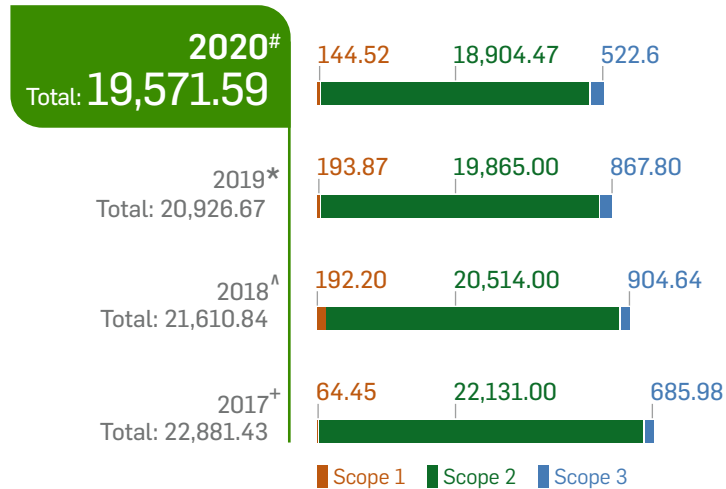
Distributed via email, these newsletters feature green facts to raise employees' awareness of environmental protection in our daily operations.

# Our Environment

## Our Environmental Performance



### Total GHG emissions (tonnes of CO<sub>2</sub>e)



	Unit	2020 <sup>#</sup>	2019 <sup>*</sup>	2018 <sup>^</sup>	2017 <sup>+</sup>
<b>Total GHG emissions<sup>1</sup></b>	tonnes of CO <sub>2</sub> e	<b>19,571.59</b>	20,926.67	21,610.84	22,881.43
<b>Scope 1</b>	tonnes of CO <sub>2</sub> e	<b>144.52</b>	193.87	192.20	64.45
Stationary combustion	tonnes of CO <sub>2</sub> e	<b>57.98</b>	78.30	79.32	64.45
Mobile combustion	tonnes of CO <sub>2</sub> e	<b>86.54</b>	115.57	112.88	N/A
<b>Scope 2</b>	tonnes of CO <sub>2</sub> e	<b>18,904.47</b>	19,865.00	20,514.00	22,131.00
Purchased electricity	tonnes of CO <sub>2</sub> e	<b>18,892.81</b>	19,848.00	20,496.00	22,116.00
Towngas	tonnes of CO <sub>2</sub> e	<b>11.66</b>	17.00	18.00	15.00
<b>Scope 3</b>	tonnes of CO <sub>2</sub> e	<b>522.6</b>	867.80	904.64	685.98
Business travel (land and air)	tonnes of CO <sub>2</sub> e	<b>201.85</b>	551.96	563.43	342.98
Transmission and distribution loss	tonnes of CO <sub>2</sub> e	<b>309.99</b>	309.00	337.00	343.00
Upstream transportation and distribution (mobile branch)	tonnes of CO <sub>2</sub> e	<b>10.76</b>	6.84	4.21	N/A
<b>Total GHG emissions per FTE</b>	tonnes of CO <sub>2</sub> e / FTE	<b>2.41</b>	2.47	2.56	2.95
From Scope 1	tonnes of CO <sub>2</sub> e / FTE	<b>0.02</b>	0.02	0.02	0.01
From Scope 2	tonnes of CO <sub>2</sub> e / FTE	<b>2.33</b>	2.35	2.43	2.85
From Scope 3	tonnes of CO <sub>2</sub> e / FTE	<b>0.06</b>	0.10	0.11	0.09
<b>GHG emissions per sq. ft.</b>	tonnes of CO <sub>2</sub> e / FTE	<b>0.014</b>	0.015	0.016	0.016

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

Most of our environmental footprint dropped in 2020 owing to altered working conditions during COVID-19.

Key: m<sup>3</sup>: Cubic metres   CO<sub>2</sub>e: Carbon dioxide equivalent   MWh: Megawatt hour   FTE: Full-time equivalent employee<sup>2</sup>   sq. ft.: Square foot<sup>3</sup>

<sup>#</sup>1 Oct 2019 – 30 Sep 2020   <sup>\*</sup>1 Oct 2018 – 30 Sep 2019   <sup>^</sup>1 Oct 2017 – 30 Sep 2018   <sup>+</sup>1 Oct 2016 – 30 Sep 2017

<sup>1</sup> Scopes 1 and 2 greenhouse gas emissions were estimated according to the Hong Kong Government's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition). Scope 2 greenhouse gas emissions are calculated based on electricity and town gas consumed, as well as the corresponding emission factors, as provided by the utility companies. The emission factors for CLP and Hong Kong Electric were 0.50kg CO<sub>2</sub>e/kWh and 0.83kg CO<sub>2</sub>e/kWh respectively, as of 2020. Scope 3 greenhouse gas emissions were estimated with reference to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

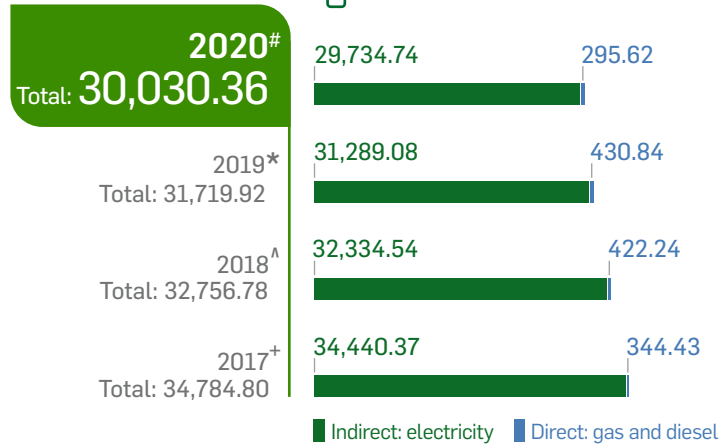
<sup>2</sup> Full-time equivalent employees as of 30 Sep 2020, 30 Sep 2019, 30 Sep 2018 and 30 Sep 2017 were 8,103, 8,468, 8,452 and 7,769, respectively.

<sup>3</sup> Floor area as of 30 Sep 2020, 30 Sep 2019, 30 Sep 2018 and 30 Sep 2017 was 1,375,455, 1,387,344, 1,357,948 and 1,427,358 sq. ft., respectively.

# Our Environment

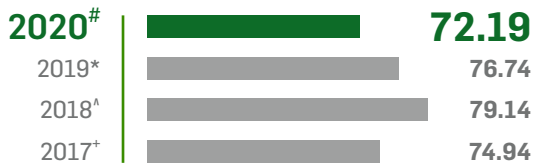
## Our Environmental Performance

### Total energy consumption (MWh)



	Unit	2020 <sup>#</sup>	2019 <sup>*</sup>	2018 <sup>^</sup>	2017 <sup>+</sup>
<b>Total energy consumption</b>	MWh	<b>30,030.36</b>	31,719.92	32,756.78	34,784.80
Indirect: electricity	MWh	<b>29,734.74</b>	31,289.08	32,334.54	34,440.37
Direct: gas and diesel	MWh	<b>295.62</b>	430.84	422.24	344.43
<b>Energy consumption per FTE</b>	MWh / FTE	<b>3.71</b>	3.75	3.88	4.48
<b>Energy consumption per sq. ft.</b>	MWh / sq. ft.	<b>0.02</b>	0.02	0.02	0.02
<b>Total water consumption<sup>1</sup></b>	000 m <sup>3</sup>	<b>72.19</b>	76.74	79.14	74.94
<b>Water consumption per FTE</b>	m <sup>3</sup> / FTE	<b>8.91</b>	9.06	9.36	9.65
<b>Total paper consumption</b>	tonnes	<b>1,407.75</b>	1,569.97 <sup>2</sup>	1,371.92	1,309.02

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



### Total paper consumption (tonnes)



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

Most of our environmental footprint dropped in 2020 owing to altered working conditions during COVID-19.

Key: m<sup>3</sup>: Cubic metres CO<sub>2</sub>e: Carbon dioxide equivalent MWh: Megawatt hour FTE: Full-time equivalent employee<sup>3</sup> sq. ft.: Square foot<sup>4</sup>

<sup>#</sup>1 Oct 2019 – 30 Sep 2020    <sup>\*</sup>1 Oct 2018 – 30 Sep 2019    <sup>^</sup>1 Oct 2017 – 30 Sep 2018    <sup>+</sup>1 Oct 2016 – 30 Sep 2017

<sup>1</sup> Freshwater is used for toilet flushing in Hang Seng 113 as it is not covered by the Water Supplies Department's seawater supply.

<sup>2</sup> The surge in paper consumption in office was resulted from a change in the data collection method since the second quarter of 2019, which reflects upon user base.

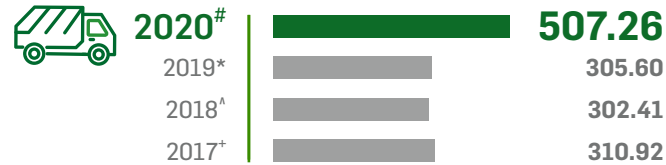
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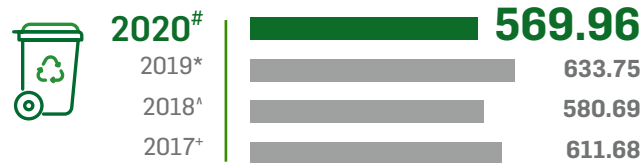
# Our Environment

## Our Environmental Performance

### Waste disposed to landfill<sup>1</sup> (tonnes)



### Waste collected for recycling (tonnes)



	Unit	2020 <sup>#</sup>	2019 <sup>*</sup>	2018 <sup>^</sup>	2017 <sup>+</sup>
<b>Waste disposed to landfill<sup>1</sup></b>	tonnes	<b>507.26<sup>2</sup></b>	305.60	302.41	310.92
<b>Waste disposed per FTE</b>	tonnes/FTE	<b>0.06</b>	0.04	0.04	0.04
<b>Waste collected for recycling</b>	tonnes	<b>569.96</b>	633.75	580.69	611.68
Paper	tonnes	<b>442.51</b>	598.20	530.07	550.77
Plastic	tonnes	<b>0.79</b>	1.40	0.59	0.44
Aluminium cans	tonnes	<b>0.58</b>	0.66	0.20	0.18
Glass <sup>3</sup>	tonnes	<b>0.28</b>	0.29	0.10	N/A
Furniture	tonnes	<b>5.55</b>	0.79	7.14	19.11
IT and electrical <sup>4</sup>	tonnes	<b>106.82</b>	4.79	17.61	20.73
Food waste	tonnes	<b>13.43</b>	27.62	24.98	20.45

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

Most of our environmental footprint dropped in 2020 owing to altered working conditions during COVID-19.

Key: m<sup>3</sup>: Cubic metres    CO<sub>2</sub>e: Carbon dioxide equivalent    MWh: Megawatt hour    FTE: Full-time equivalent employee<sup>5</sup>

#1 Oct 2019 – 30 Sep 2020    \*1 Oct 2018 – 30 Sep 2019    ^1 Oct 2017 – 30 Sep 2018    +1 Oct 2016 – 30 Sep 2017

<sup>1</sup> Hazardous waste is not counted owing to the insignificant amount.

<sup>2</sup> Renovation of our headquarters and other core buildings generated construction waste, hence a higher volume of waste disposal.

<sup>3</sup> Relevant data have been collected for reporting since 2018.

<sup>4</sup> IT and electrical waste consisting of flat panel displays and printed circuit boards is classified as hazardous. All IT wastes was donated to charity, or recycled by authorised vendors. 300 laptops were donated to charity in 2020.

<sup>5</sup> Full-time equivalent employees as of 30 Sep 2020, 30 Sep 2019, 30 Sep 2018 and 30 Sep 2017 were 8,103, 8,468, 8,452 and 7,769, respectively.