

## BOARD STATEMENT & CHIEF EXECUTIVE'S MESSAGE

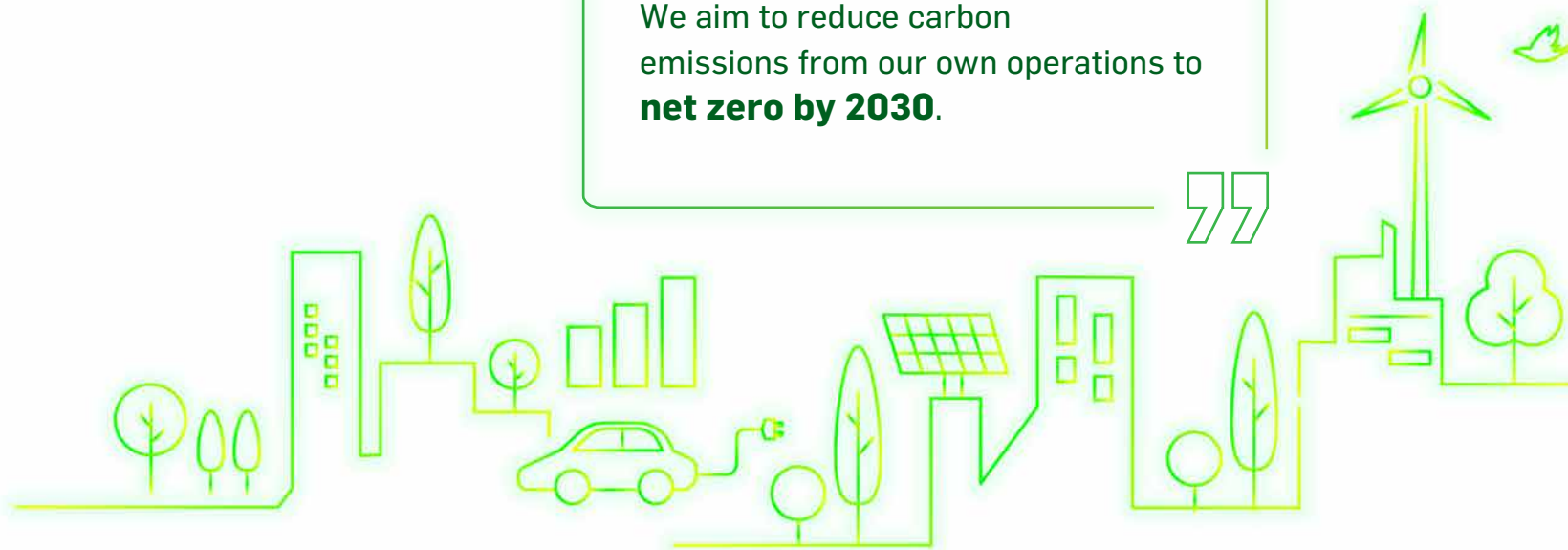
### ■ Board Statement

In an effort to step up our commitment to mitigating climate change, we aim to reduce carbon emissions from our own operations to net zero by 2030. We are also contributing to the HSBC Holdings plc ('HSBC' hereinafter)'s ambitions of becoming net zero in its supply chain by 2030 and aligning the financed emissions in its portfolio of customers to net zero by 2050.

Managing climate-related risks requires a concerted effort across different industries. In order to support our customers in transitioning to a low carbon economy, we have been diversifying our products and services with a focus on sustainable finance to cater for the different needs of customers. In 2022, Hang Seng Investment Management Limited launched the first ESG exchange-traded fund based on the Hang Seng Index. In addition, we launched the green deposit programme to offer our corporate customers the opportunity to invest their surplus funds in sustainable projects.



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## ■ Chief Executive's Message



To facilitate our clients' transition to a low carbon economy, we are continuing to develop and provide new products related to sustainable finance.



### Reinforcing the commitment to mitigating climate change

Recognising the urgency of mitigating climate change, we reinforced our commitment to decarbonisation during the year. We set targets for emissions reduction, which are aligned with HSBC.

### Diversifying our sustainable finance offerings

To facilitate our clients' transition to a low carbon economy, we are continuing to develop and provide new products related to sustainable finance. In terms of commercial banking, we launched the green deposit programme and provided our customers with a green trade facility. For retail banking, we rolled out green mortgages to incentivise the purchase of residential properties with specific green building certification. With regard to investments, our subsidiary, Hang Seng Indexes Company Limited, launched the Hang Seng Climate Change 1.5°C Target Index and other ESG-focused indexes, to provide benchmarks for investors who are interested in integrating climate and ESG considerations into their portfolio management.

As we celebrate our 90th anniversary, we will continue to place customer-centricity at the heart of our business, while adding innovations to address our customers' evolving needs. Undoubtedly, there will be challenges in the ever-changing business landscape, yet we are determined to do our part in the ESG journey to bring a positive impact to our customers and the community.

#### **Diana Cesar**

Executive Director and Chief Executive  
Hang Seng Bank