



# Board Statement

Climate change has become one of the most pressing issues to our communities. We are dedicated to building a future-proofed business, helping our customers and the markets transition to a net zero economy and driving ESG evolution in local financial industry. We aim to reduce carbon emissions from our own operations to net zero by 2030. We are also contributing to the HSBC Group's ambition 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.

Our customers are vital to the transition towards more sustainable operations, and we are dedicated to supporting them throughout this journey. To facilitate their shift to low-carbon operations, we provide tailored sustainable finance and investment. In line with the growing emphasis on ESG factors within the investment landscape, Hang Seng Indexes Company Limited has launched new sustainability-themed indexes. These indexes focus on hydrogen energy, China A-share companies with low carbon emission intensity, and Central State-owned Enterprises that demonstrate strong ESG performance.

To extend our ethos to the broader community, we have arranged our first social loan, aimed at funding several construction projects in Hong Kong that will improve educational access for children and those with special needs, as well as improving housing affordability.



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# Chief Executive's Message



*Hang Seng Bank is prepared to maintain a responsible approach to ESG within the banking industry, mindful of the challenges and opportunities this year may bring.*

Entering 2024, Hang Seng Bank takes a moment to look at the tangible progress we have made in sustainability.

We have focused on what matters – delivering results that positively impact our business and the broader community.

## Recognitions and Achievements in Sustainability

Last year, our headquarters was recognised with the Green Building Award and became the first bank in Hong Kong to obtain the WELL Gold certification, reflecting our responsible approach to environmental management and employee well-being. The International WELL Building Institute's certification, based on criteria like Air and Light, affirms our use of AI-powered data analytics to improve Heating, Ventilation, and Air Conditioning efficiency, alongside energy-saving systems.

Incorporating ESG principles into our operations, our offices are equipped with chilled ceiling technology and high-efficiency air conditioners to minimise energy use and achieve carbon reduction. We engage in global initiatives like Earth Hour and implement waste reduction programmes, emphasising our practical approach to sustainability.

In July 2023, we opened a new branch at Festival Walk, introducing our 'Future Banking' service concept that emphasises sustainability. This branch features eco-friendly design elements, notably a 'CO<sub>2</sub> Reduction System' that utilises an aquatic microalgae reactor to reduce carbon dioxide levels.

## Advancing Sustainable Banking Practices

Our activities last year included the expansion of our sustainable finance and investment options, the enhancement of our programmes for supporting youth and managing climate risk, and an increase in our efforts to provide transparent reporting on sustainability issues. These initiatives correspond with specific SDGs, particularly those related to responsible consumption and production, climate action, and building partnerships.

The ratings and rankings we received last year, such as our AA from MSCI ESG and AA+ on the Hang Seng Corporate Sustainability Index, along with our high placement for gender equality by Equileap, reflect on our ongoing work in these areas.

In this, our 91st year of operations, we continue to focus on the evolving needs of our customers, ensuring that our services and products are relevant and responsive. Our approach is to anticipate and respond to changes in the market and in our customers' expectations, aiming to positively affect our communities while respecting environmental boundaries.

Looking to the future, Hang Seng Bank is prepared to maintain a responsible approach to ESG within the banking industry, mindful of the challenges and opportunities this year may bring.

### Diana Cesar

Executive Director and Chief Executive  
Hang Seng Bank