



HANG SENG BANK LIMITED AND ITS SUBSIDIARIES

Environmental Policy

Policy Statement

Hang Seng Bank Limited and its subsidiaries ("Hang Seng") are committed to minimising the environmental impacts of their business. Hang Seng recognises that good business practices can have a fundamental effect on environmental protection. It seeks to conduct its activities in an environmentally responsible manner and to develop a range of management practices aimed at promoting sustainable development.

Sustainable Development

Hang Seng's environmental policy was formulated with reference to the Statement by Financial Institutions on the Environment and Sustainable Development, which forms part of the United Nations Environment Programme.

Hang Seng endeavours to achieve a high standard of environmental care in developing its business and to give due consideration to environmental risks that would damage the natural and built environment in conducting its business. It believes that such conduct would add value to Hang Seng and its stakeholders, and contribute to the enhancement of the environment and the well-being of the society.

Management Practices

Hang Seng seeks to implement sound environmental programmes that use resources more efficiently and effectively. These include the following:

- Promote energy efficiency
- Improve consumption of materials to minimise waste generation and dispose of waste in an environmentally acceptable manner
- Promote recycling and the use of recycled or environmentally friendly materials
- Minimise the use of chlorofluorocarbons (CFCs)
- Give preference to suppliers and contractors who adopt environmentally friendly practices
- Meet all relevant environmental, health and safety laws and regulations
- Support environmental initiatives, partly through Hang Seng's community programmes

Promoting Environmental Awareness

Hang Seng seeks to promote public awareness of the importance of environmental protection and of the responsibility of management, employees and other stakeholders to work in partnership for the benefit of the environment. It is committed to communicating Bank-wide environmental practices externally.

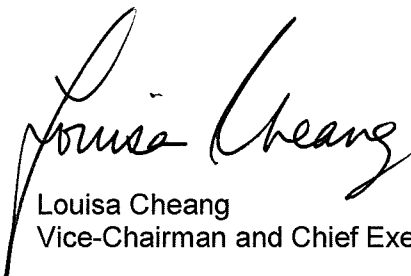
Business Operations

Hang Seng believes that its sustainable performance is linked to good environmental practices and pays attention to environmental factors in its decision-making processes.

It incorporates environmental risk assessments into credit decisions to ensure responsible financing. Customers are expected to fulfil the appropriate compliance obligations applicable to their business.

All employees are encouraged to conduct their duties in an environmentally responsible manner.

Hang Seng's environmental policy has been approved by the Board of Directors and forms an integral part of its corporate social responsibility. Senior executives are tasked with its implementation. The environmental policy will be monitored and periodically reviewed in the light of new developments.



Louisa Cheang
Vice-Chairman and Chief Executive