

HSBC Insurance enjoins customers
'Let's travel green!'



9 July 2008

HSBC  Insurance

Green travel

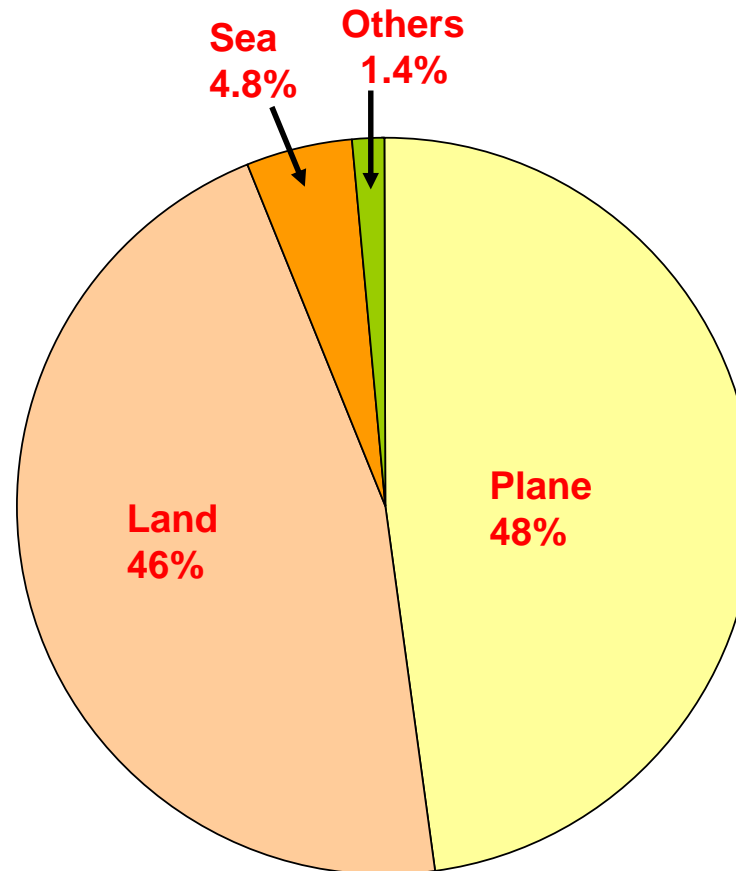
- Background
 - Emissions from planes will be one of the largest contributors to global warming by 2050 (source : Royal Commission on Environment Pollution, UK)
 - Passenger air traffic movements in Hong Kong increased from 220,000 flights in 2004 to around 248,700 flights in May 2008 (source : Airport Authority HK)
 - Round trip air travel from Hong Kong to London emits around 2.8 tons of carbon dioxide (source: Green Sense, HK)
 - HSBC is the first major international bank to achieve carbon neutrality
 - HSBC Insurance shares this vision by engaging customers in a 'green' travel insurance programme

HSBC Insurance Green travel survey

- Conducted among 558 respondents, aged 25-65 years old who traveled in the past 2 years
- Conducted by The University of Hong Kong, Public Opinion Programme
- Gauged public's perceptions, attitudes and preferences towards 'green travel'

Traveling - A way of life for Hong Kong

- 90% of respondents traveled in the past 2 years
- Traveled 3.6 times for business and holiday on average over the past 12 months
- 48% used planes
- 46% used train / bus / private car

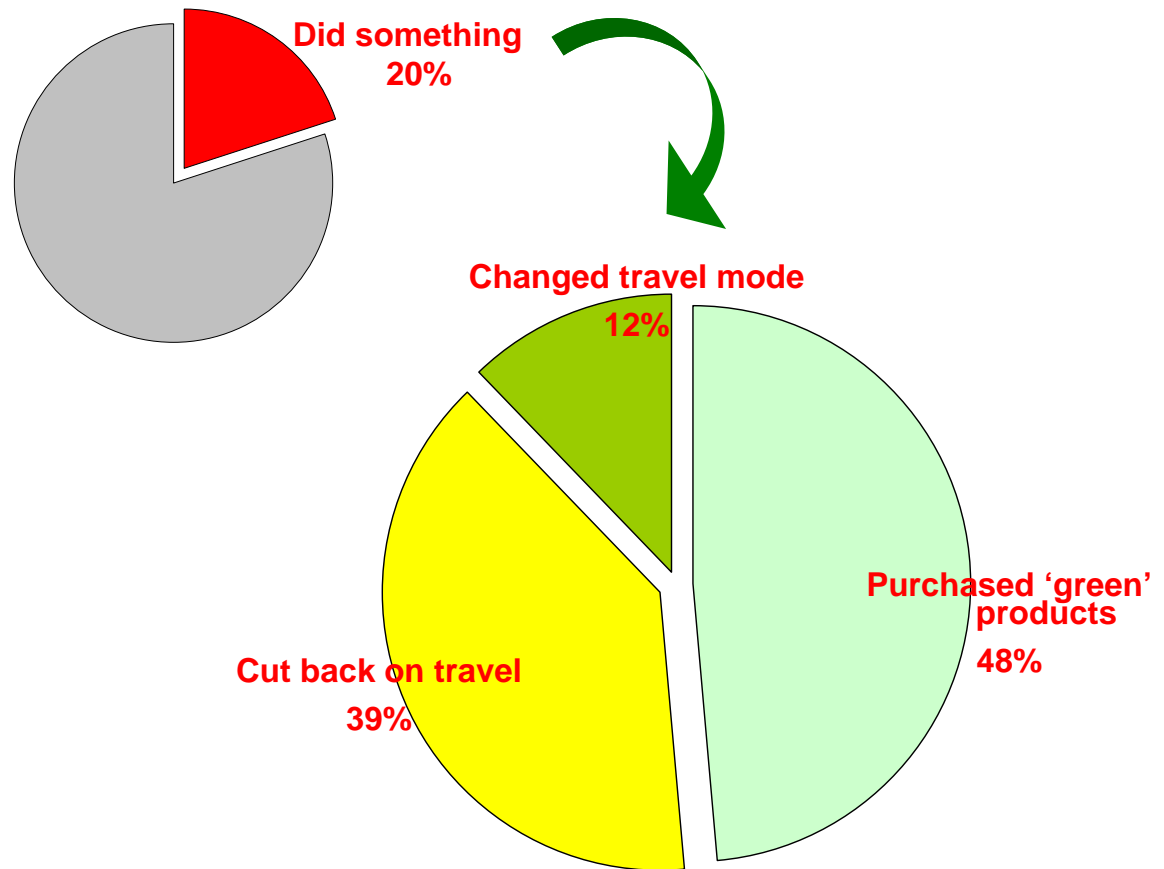


Awareness of travel impact

- 60% of respondents are aware that travels cause carbon emissions
- 90% of respondents know that carbon dioxide emissions are harmful to environment

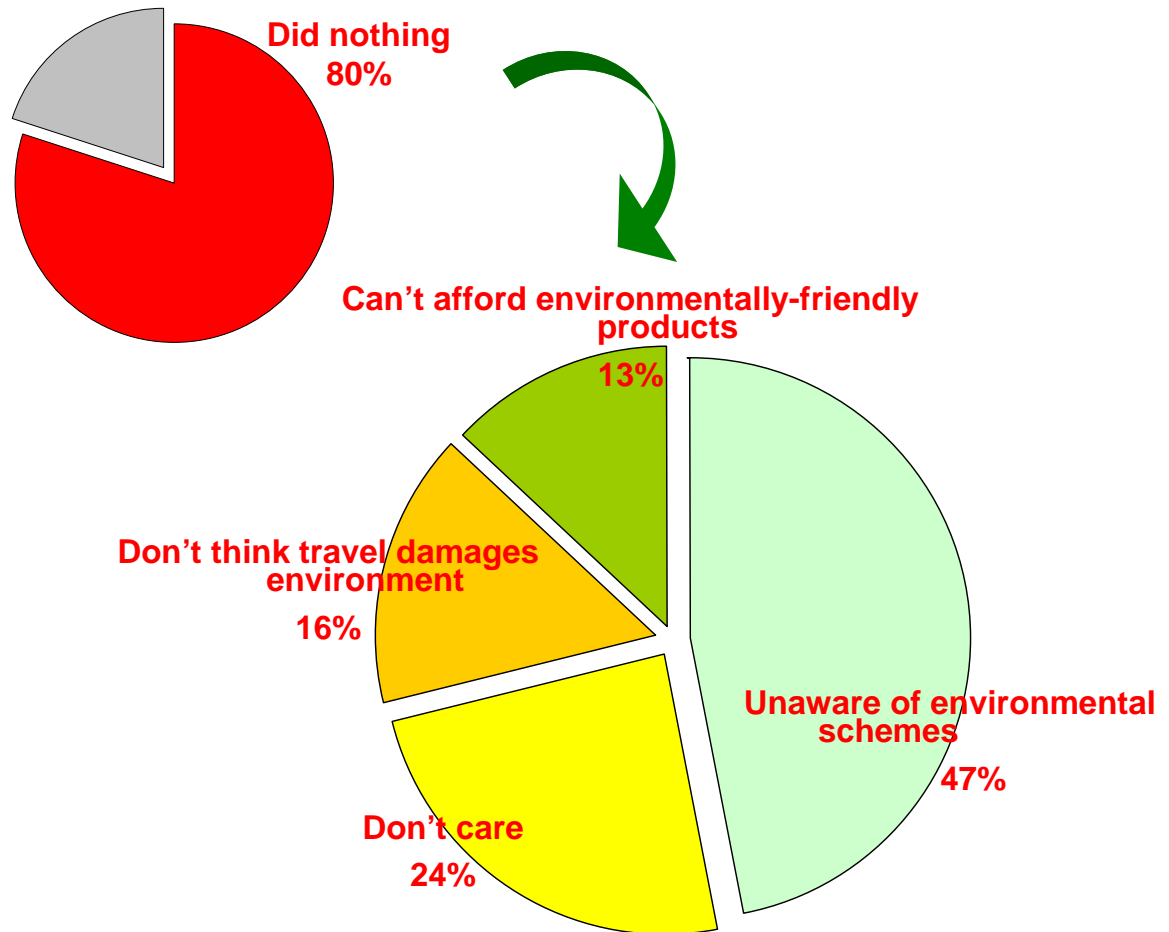
Did the public do anything?

- 20% of respondents did something to offset carbon dioxide emissions
 - 48% purchased green products
 - 39% cut back on leisure travels
 - 12% changed mode of travel



Did the public do anything?

- 80% did nothing, because
 - 47% were not aware of any environmental schemes
 - 24% don't care
 - 16% don't think travel would damage environment
 - 13% can't afford the extra amount to pay for environmentally-friendly products



Are they willing to do more?

- 32% of respondents said **YES!**
 - 59% will buy green products or services
 - 39% will travel less
 - 30% will change travel mode from air to land or sea

Are they willing to do more?

- 56% will pay MORE for green travel products;
for a HKD1,000 trip:
 - 29% will pay 5-10% more (HKD51-100)
 - 17% will pay 10-20% more (HKD101-200)
 - 15% will pay below 5% (HKD50)
- 57% want to know more about carbon offsetting and green travel

Let's travel green!

- **Objectives:**

- A response to our public survey
- An accessible program to engage those who are willing to do something such as purchase green products
- Raise public awareness
- Offset carbon dioxide emissions in a unique way
- Educate the next generation



Let's travel green!

- **Customer engagement:**
 - For every travel insurance policy purchased from HSBC, 1% of policy premium will go to the 'Let's travel green' programme
 - Example : the annual premium for a MultiTrip TravelSurance policy for Asia is around HK\$1,000, HK\$10 will be automatically donated on behalf of the customer
- **HSBC Insurance to donate a total of about HK\$2m over the next two years**
- **Program period – now until June 2010**

