Global Reporting Index Table of Contents

HSBC Holdings plc Sustainability Report 2011

Unless otherwise stated, 'Sustainability Report' refers to the *HSBC Holdings plc Sustainability Report 2011*, 'Annual Review' refers to the *HSBC Holdings plc Annual Review 2011*, and 'Annual Report and Accounts' refers to the HSBC Holdings plc *Annual Report and Accounts 2011*.

1. Strategy and analysis	
1.1 Statement from the most senior decision-maker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy	Sustainability Report page 2: Group Chairman's Introduction
1.2 Description of key risks and opportunities	Sustainability Report pages 4 & 5
2. Organisational profile	
2.1 Name of the organisation	Sustainability Report front cover
2.2 Primary brands, products, and/or services	Sustainability Report inside front cover: Who we are and what we do Annual Review pages 14-17: HSBC at a Glance.
2.3 Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	Sustainability Report inside front cover: Who we are and what we do Annual Review pages 14-5: HSBC at a Glance.
2.4 Location of organisation's headquarters.	Annual Report and Accounts page 10
2.5 Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Sustainability Report inside front cover & page 11: Annual Report and Accounts pages 59-89
2.6 Nature of ownership and legal form.	Annual Report and Accounts page 10
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Annual Report and Accounts pages 59-89: Geographical regions; Sustainability Report pages 11-14; Annual Review pages 14-17
2.8 Scale of reporting organisation, including; number of employees, net sales (for private sector organisations) or net revenues (for public sector organisations; and total capitalisation broken down in terms of debt and equity (for private sector organisations) and quantity of products and services provided.	Annual Report and Account pages 1-3, page 243; Sustainability Report pages 10 & 22
2.9 Significant changes during the reporting period regarding size, structure or ownership, including: the location of, or changes in operations including facility openings, closings and expansions and changes in the share capital structure and other capital formation, maintenance and alteration operations.	Annual Report & Accounts page 369: Acquisitions and Disposals
2.10 Awards received in the reporting period.	Sustainability Report page : HSBC's awards for sustainability 2011



3. Report Parameters	
3.1 Reporting period (e.g., fiscal/calendar year) for information provided.	Sustainability Report front cover, inside back cover & page 32: Assurance Report
3.2 Date of most recent report if any.	Sustainability Report inside back cover
3.3 Reporting cycle (annual, biennial, etc.)	Sustainability Report inside back cover
3.4 Contact point for questions regarding the report and its context.	Sustainability Report inside back cover
3.5 Process for defining report content, including determining materiality, prioritising topics within the report and identifying the stakeholders that the organisation expects to use the report. Include an explanation of how the organisation has applied the Guidance on Defining Report Content and the associated principles.	Sustainability Report page 6 and inside back cover
3.6 Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Sustainability Report inside back cover
3.7 State any specific limitations on the scope or boundary of the report. If boundary and scope do not address the full range of material economic, environmental, and social impacts of the organisation, state the strategy and the projected timeline for providing complete coverage.	Not applicable
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Sustainability Report inside back cover
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Sustainability Report pages 19-21: Sustainable Operations; page 30: Key Facts
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such restatement (e.g. mergers/acquisitions, change of base year/periods, nature of business, measurement methods).	Sustainability Report page 30-31: Key Facts
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	Not applicable
3.12 GRI Context Index Table identifying the location of the Standard Disclosures in the report. Identify the page number or web links where the following can be found: Strategy and analysis 1.1-1.2; Organisational profile 2.1-2.10; Report parameters 3.1-3.13; Governance, commitments and engagement 4.1-4.17; Disclosure of management approach per category, Core performance indicators, Any additional GRI indicators that were included, any GRI sector supplement indicators included in the report.	Please see the GRI Context Index Table (current document) at www.hsbc.com/sustainabilityreport.
3.13 Policy and current practice with regard to seeking independent assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s).	Sustainability Report page 32: Assurance Report

4. Governance,	Commitments	, and Engagement
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4.1 Governance structure of the organisation including committees under the highest governance body responsible for specific tasks such as setting strategy or organisational oversight. Describe the mandate and composition (including the number of independent members and/or non-executive members) of such committees and indicate any direct responsibility for economic, social and environmental performance).

Annual Report and Accounts page 230: Board committees

4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement).

Annual Report & Accounts page 225: Board of Directors

4.3 For organisations that have a unitary board structure state the number of members of the highest governance body that are independent and/or non-executive directors. State how the organisation defines 'independent' and 'non-executive'. This element applies only for organisations that have unitary board structures.

Annual Report & Accounts page 225: Board of Directors

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. Include references to processes regarding: the use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body.

Annual Report & Accounts page 245: Communication with shareholders

4.5 Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organisation's performance (including social and environmental performance).

Annual Report & Accounts page 256-274: Directors' Remuneration Report

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.

Annual Report & Accounts page 229: Conflicts of interest

4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental and social topics

Annual Report & Accounts page 227-228: Report of the Directors, Governance; Induction and ongoing development & Performance Evaluation

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation. Explain the degree to which these: are applied across the organisation in different regions and department/units; and, relate to internationally agreed standards

Annual Report & Accounts page 243:Employees; Sustainability Report page 22: Valuing our Employees

4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles Include the frequency with which the highest governance body assesses sustainability performance

Annual Report and Accounts page 239: Sustainability Governance: Sustainability Report page 7: Management and governance

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

Annual Report & Accounts page 228: Performance Evaluation

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation.

Article 15 of the Rio Principles introduced the precautionary approach. A response to 4.11 could address the organisation's approach to risk management in operational planning or the development and introduction of new products

We do not explicitly talk about the precautionary principle. We cover risk in relation to sustainability and our lending in the Sustainability Report page 16

4.12 Externally developed, economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or endorses. Include the date of adoption, countries/operations where applied, and the range of stakeholders involved in the development and governance of these initiatives (e.g. multi-stakeholder, etc). Differentiate between non-binding, voluntary initiatives and those with which the organisation has an obligation to comply

See www.hsbc.com/sustainability - Our Approach

4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: has positions in governance bodies; participates in projects or committees; provides substantive funding beyond routine membership dues; or views membership as strategic. This refers primarily to memberships maintained at the organisational level.

Sustainability Report page 24: Community Investment

4.14 List of stakeholder groups engaged by organisations. Examples of stakeholder groups are communities, civil society, customers, shareholders and providers of capital, suppliers, and employees, other workers and their trade unions.

Sustainability Report page 7: Engaging our Stakeholders

4.15 Basis for identification and selection of stakeholders with whom to engage. This includes the organisation's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage.

Sustainability Report page 6: Sustainability; Sustainability Report page 7: Engaging our stakeholders

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. This could include surveys, focus groups, community panels, corporate advisory panels, written communication, management/union structures, and other vehicles. The organization should indicate whether any of the engagement was undertaken specifically as part of the report preparation process.

Sustainability Report page 7: Engaging our Stakeholders

4.17 Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded to those key topics and concerns, including through its reporting.

Sustainability Report page 7: Engaging our Stakeholders; page 17: Issues raised in 2011; page 24: Our approach to Community Investment

Economic Performance Indicators

EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

Sustainability Report page 7: Sustainable economic contribution; page 30: Key facts, Economic

EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change.

Sustainability Report page 15: Climate Business

EC3 Coverage of organisation's defined benefit plan obligations.

Annual Report & Accounts page 321

EC4 Significant financial assistance received from government.

None received

EC6 Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.

Not disclosed

EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Sustainability Report page 23: Talent management and succession planning
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	Not disclosed
Economic Performance Indicators	
EN1 Materials used by weight or volume.	Not material issue, not disclosed
EN2 Percentage of materials used that are recycled input materials.	Not material issue, not disclosed
EN3 Direct energy consumption by primary energy source.	Sustainability Report page 31: Key Facts, Environment
EN4 Indirect energy consumption by primary source.	Sustainability Report page 31: Key Facts, Environment
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	Sustainability Report page 19-21: Sustainable Operations
EN8 Total water withdrawal by source.	Sustainability Report page 31: Key Facts, Environment
EN11 Location and size of land owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Given the nature of our business with its urban centre locations, not a material issue for our direct operations. With regards to our lending policies see Sustainability Report especially page 16: Sustainability Risk Management
EN12 Description of significant impact of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Given the nature of our business with its urban centre locations, not a material issue for our direct operations. With regards to our lending policies see Sustainability Report especially page 16: Sustainability Risk Management
EN16 Total direct and indirect greenhouse gas emissions by weight.	Sustainability Report page 31: Key Facts, Total carbon dioxide emissions
EN17 Other relevant indirect greenhouse gas emissions by weight.	Not material; carbon dioxide is our most significant direct GHG emission
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	Sustainability Report page 19-21: Sustainable Operations
EN19 Emissions of ozone depleting substances by weight.	Not material issue, not disclosed
EN20 NO, SO, and other significant air emissions by type and weight.	Not material issue, not disclosed
EN21 Total water discharge by quality and destination.	Not material issue, not disclosed
EN22 Total weight of waste by type and disposal method.	Sustainability Report page 31: Key facts, Environment
EN23 Total number and volume of significant spills.	Not material issue, not disclosed
EN26 Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation.	Sustainability Report page 16-17: Sustainability Risk Management
EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	Packaging not material to our business
EN28 Monetary value of significant fines and total number of non-monetary sanctions for, non-compliance with environmental laws and regulations.	No significant fines for non-compliance with environmental laws and regulations.
EN29 Significant environmental impacts of transporting goods and materials used for organisation's operations, and transporting members of the workforce.	Sustainability Report page 31: Key Facts, Business travel

5. Labour practices & Decent work - Performance Indicators	
LA1 Total workforce by employment type, employment contract and region.	Sustainability Report page 30: Key Facts
LA2 Total number and rate of employee turnover by age group, gender and region.	Sustainability Report page 30: Key Facts
LA4 Percentage of employees covered by collective bargaining agreements.	Annual Report and Accounts page 243: Employees
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Sustainability Report page 22: Valuing our Employees; and the Group Standards Manual stipulates that each Group member will work in a professional manner with legitimate employee representative bodies such as unions, employee associations and any employee representative forum established in agreement with the HSBC Group company.
LA7 Rates of injury, occupational diseases, lost days and absenteeism and total number of work related fatalities by region.	Sustainability Report page 30: Key Facts
LA8 Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases.	Sustainability Report 2007 page 28: Health and safety
LA10 Average hours of training per year per employee by employee category.	Sustainability Report page 22: Valuing our Employees
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Sustainability Report page 30: Key Facts
LA14 Ratio of basic salary of men to women by employee category.	Not disclosed
LA15 Return to work and retention rates after parental leave by gender.	Not disclosed
6. Human Rights - Performance Indicators	
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Sustainability Report page 16-18: Sustainability Risk Management
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and action taken.	Sustainability Report page 7: Engaging our stakeholders - suppliers
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Sustainability Report page 16: Sustainability Risk Management
HR4 Total number of incidents of discrimination and actions taken.	Not disclosed
HR5 Operations identified in which the right to exercise of freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not disclosed. The Group Standards Manual stipulates that each Group member will work in a professional manner with legitimate employee representative bodies such as unions, employee associations and any employee representative forum established in agreement with the HSBC Group company.
HR6 Operations identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labour.	Not disclosed, low risk within direct operations

FS4. Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Sustainability Report pages 16-18: Sustainability Risk Management
FS5. Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Sustainability Report pages 16-18: Sustainability Risk Management
FS6. Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Annual Report and Accounts pages 43-57: Global businesses; Sustainability Report pages 10-14: Serving our Customers
FS7. Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Not disclosed - sustainable product is reported on in the Sustainability Report page 15: Climate Business
FS8. Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Not disclosed - sustainable product is reported on in the Sustainability Report page 15: Climate Business
FS9. Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Sustainability Report inside back cover; page 32: Assurance Report
FS10. Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues.	We do not report publicly on this indicator - All wholly owned HSBC subsidiaries are covered by Group sustainability policies
FS11. Percentage of assets subject to positive and negative environmental or social screening.	Not disclosed
FS12. Voting polic(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting.	Not disclosed
FS13. Access points in low-populated or economically disadvantaged areas by type.	Sustainability Report page 11-14: Serving our Customers
FS14. Initiatives to improve access to financial services for disadvantaged people.	Sustainability Report page 11-14: Serving our Customers
FS15. Policies for the fair design and sale of financial products and services.	Sustainability Report page 11-14: Serving our Customers
FS16. Initiatives to enhance financial literacy by type of beneficiary.	Sustainability Report page 25: Investing in Communities

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