

About HSBC

We are the world's local bank.

Headquartered in London, HSBC is one of the largest banking and financial services organisations in the world. HSBC's international network comprises more than 9,500 offices in 79 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

With listings on the London, Hong Kong, New York, Paris and Bermuda stock exchanges, shares in HSBC Holdings plc are held by around 200,000 shareholders in some 100 countries and territories. The shares are traded on the New York Stock Exchange in the form of American Depositary Receipts.

Through an international network linked by advanced technology, including rapidly growing e-commerce channels, HSBC provides a comprehensive range of financial services: personal financial services; consumer finance; commercial banking; corporate, investment banking and markets; and private banking.

About this Report

In today's world, companies like HSBC are expected not just to behave well, but also to listen to all their stakeholders — including customers, shareholders, employees and the communities they serve — and to explain to them their actions. This, our fourth annual report on our corporate social responsibility, recognises and fulfils those obligations. It also meets our commitment under the UN Global Compact to report a case study annually on one of the Compact's nine principles.

Cover picture: HSBC engages with a diverse range of stakeholders from communities across the world — shareholders, employees, non-governmental organisations, and over 110 million customers through a network of offices spanning six continents, as illustrated by this map.



Foreword

Long before the phrase entered our common vocabulary and, understandably, became a topic of widespread public debate, HSBC was operating with a strong sense of corporate social responsibility (CSR). Indeed the principles, if not the language, of CSR can be traced back to our earliest days. The reputation we enjoy today owes much to the high standards of behaviour set by our founders and good behaviour is the essence of corporate responsibility.

As the role of business and particularly multinational enterprise, has come under increasing scrutiny, so the need has grown for companies such as HSBC to set out their views on a wide range of social, ethical and environmental issues. Our Group strategic plan, 'Managing for Growth', which will guide us for the next five years, therefore calls for a renewed focus on CSR and on greater disclosure of our performance and policies than hitherto.

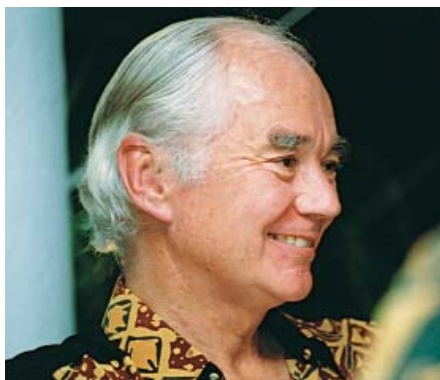
The world is wrestling with a number of stubborn problems: the disparity between rich and poor, the challenges as well as the benefits of globalisation, the threats to the physical environment. International companies are answerable to a number of different constituencies. Balancing their different demands can be very challenging particularly where, as in the case of the environment, there are as yet no clearly established supranational agreements.

To help us strive to do the right thing, to find real solutions to real problems and to give us the best possible advice and guidance, we have established a Corporate Social Responsibility Committee of the HSBC Holdings plc Board. This is chaired by Lord Butler, a non-executive Director who, with great distinction, has overseen our philanthropic programme, 'HSBC in the Community', since 1999. I am delighted that a number of other eminent people have agreed to serve on the committee. William Fung, Sharon Hintze and Carole Taylor, also non-executive Directors, have been joined by Baroness Brigstocke, prominent in the field of

education and a Member of the House of Lords; Lord May, President of the Royal Society; and Gerry Davis, former teacher and local government leader.

Also joining HSBC during 2004 is Francis Sullivan as Adviser on the Environment. Francis was previously Director of Conservation at WWF-UK, one of our partners in 'Investing in Nature'. Francis brings a wealth of expertise to this new position and will help us build on our long-standing commitment to the environment, which was also marked in 2003 by our adoption of the Equator Principles which provide a framework for banks involved in project finance. Francis's expertise complements Dame Mary Richardson's in educational matters and I believe that HSBC now has a formidable team to take us forward in CSR.

This report is the fourth in a series to give an account of our social responsibility policies and activities and we have renamed it *HSBC in Society* to denote its more comprehensive coverage. I hope you will find it interesting. HSBC welcomes dialogue with all those who follow its progress. Do let us have suggestions on the further development of *HSBC in Society* and please share with us your views on any aspect of CSR. Details of how to contact us can be found on the inside back cover.



Sir John Bond, *Group Chairman*
HSBC Holdings plc
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