

Global Reporting Index Table of Contents

HSBC Holdings plc Sustainability Report 2010

Unless otherwise stated, 'Sustainability Report' refers to the HSBC Holdings plc Sustainability Report 2010, 'Annual Review' refers to the HSBC Holdings plc Annual Review 2010, and 'Annual Report and Accounts' refers to the HSBC Holdings plc Annual Report and Accounts 2010.

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 page 1: About this Report

2. Organisational profile

2.1 Name of the organisation.	Sustainability Report front cover
2.2 Primary brands, products, and/or services.	Annual Review pages 4-5: HSBC at a Glance
2.3 Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Annual Review pages 2-5: HSBC at a Glance
2.4 Location of organisation's headquarters.	Sustainability Report page 1: About this Report
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 page 1: About this Report
2.6 Nature of ownership and legal form.	Annual Report and Accounts page 1
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Annual Report & Accounts page 50: Geographical regions; Annual Review page 2-5: HSBC at a Glance
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 Review page 1: Highlights of 2010
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 444: Acquisitions and Disposals
2.10 Awards received in the reporting period.	Sustainability Report inside front cover: HSBC's awards 2010

3. Report Parameters

3.1 Reporting period (e.g., fiscal/calendar year) for information provided.	Sustainability Report front cover & page 23: 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 1: About this Report
3.6 Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Sustainability Report page 1: About this Report
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.	Sustainability Report page 1: About this Report

3. Report Parameters (continued)

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 page 1: About this Report
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 page 18: Environmental Efficiency in our Operations; page 21: 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 20-21: Key Facts
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	Sustainability Report page 20-21: Key Facts
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 23: Assurance Report

4. Governance, Commitments, and Engagement

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 194: 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 189: 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 189: 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 217
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 220: Directors' Remuneration Report
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Annual Report & Accounts page 189
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 192 Report of the Directors: Governance: 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 206: Employees; Sustainability Report page 8: Valuing our Employees

4. Governance, Commitments, and Engagement (continued)

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 & Accounts page 213: Governance: Sustainability Governance; Sustainability Report page 4: 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 192: Governance: 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 12
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	Sustainability Report page 4: Management and Governance
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 16: Investing in Communities
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.	http://www.hsbc.com/1/2/sustainability/working-together
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.	We don't explicitly report a process for identifying stakeholders. Our stakeholders are referenced throughout the Sustainability Report and we have a stakeholder section online at www.hsbc.com/sustainability/working-together
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.	http://www.hsbc.com/1/2/sustainability/working-together
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 1: About this Report

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 5: Contribution to the Economy; page 20: Key facts, Economic
EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Sustainability Report page 10: Climate Business
EC3 Coverage of organisation's defined benefit plan obligations.	Annual Report & Accounts page 207
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.	Not disclosed
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	Not disclosed

Environmental 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 21: Key facts, Environmental resource efficiency
EN4 Indirect energy consumption by primary source.	Sustainability Report page 21: Key facts, Environmental resource efficiency
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	Sustainability Report page 12: Risk Management; page 18: Environmental Efficiency in our Operations
EN8 Total water withdrawal by source.	Sustainability Report page 21: Key facts, Environmental resource efficiency
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 12: 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 12: Risk Management
EN16 Total direct and indirect greenhouse gas emissions by weight.	Sustainability Report page 21: 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 18: Environmental Efficiency in our 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 21: Key facts, Environmental resource efficiency
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 12: 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 21: Key facts, Business travel

5. Labour practices & Decent work - Performance Indicators

LA1 Total workforce by employment type, employment contract and region.	Sustainability Report page 21: Key Facts
LA2 Total number and rate of employee turnover by age group, gender and region.	Sustainability Report page 21: Key Facts
LA4 Percentage of employees covered by collective bargaining agreements.	Annual Report and Accounts page 206: Employees
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Sustainability Report page 12: 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 20: 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 9; Sustainability Report 2009 page 13: Learning and Development
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 20
LA14 Ratio of basic salary of men to women by employee category.	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 12 - 15: Risk Management
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and action taken.	Sustainability Report page 22: Performance against Commitments for 2010; Sustainability Report 2009 page 20: Supply Chain
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
HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.	Not disclosed, low risk within direct operations

Society - Management Approach

SO1 Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	Sustainability Report page 12 - 15: Risk Management
SO2 Percentage and total number of business units analysed for risks related to corruption.	Annual Report and Accounts page 88: Operational risk
SO3 Percentage of employees trained in organisation's anti-corruption policies and procedures.	Annual Report and Accounts page 172: Reputational risk
SO4 Actions taken in response to incidents of corruption.	We do not report publicly on this indicator
SO5 Public policy positions and participation in public policy development and lobbying.	HSBC does not engage in political lobbying - not disclosed
SO6 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	HSBC does not make political donations. For a summary of our community investment donations see Sustainability Report page 21: Key Facts
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not disclosed

Product responsibility - Management Approach

PR1 Life cycle stages in which the health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not material issue, not disclosed
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not material issue, not disclosed
PR6 Programmes for adherence to laws, standards and voluntary codes related to marketing communications including advertising, promotion and sponsorship.	HSBC adheres to marketing, advertising and promotional laws in all of the countries it operates - not disclosed
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not disclosed

Financial Services Sector Specific Disclosure on Management Approach

FS1. Policies with specific environmental and social components applied to business lines.	Sustainability Report pages 12-15: Risk Management
FS2. Procedures for assessing and screening environmental and social risks in business lines.	Sustainability Report pages 12-15: Risk Management
FS3. Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Sustainability Report pages 12-15: Risk Management
FS4. Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Sustainability Report pages 12-15: Risk Management
FS5. Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Sustainability Report pages 12-15: Risk Management
FS6. Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Annual Review page 2: HSBC at a Glance
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 10: 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 10: Climate Business
FS9. Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Sustainability Report page 1: About this Report; page 23: 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 6: Supporting our Customers
FS14. Initiatives to improve access to financial services for disadvantaged people.	Sustainability Report page 6: Supporting our Customers
FS15. Policies for the fair design and sale of financial products and services.	Sustainability Report page 6: Supporting our Customers
FS16. Initiatives to enhance financial literacy by type of beneficiary.	Sustainability Report page 16: Investing in Communities

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