

Carbon Reduction Plan

Supplier name: **HSBC Bank plc**

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Note: Unless the context requires otherwise, references to 'HSBC', 'HSBC Group' or the 'Group' within this document mean HSBC Holdings plc together with its subsidiaries.

Commitment to achieving Net Zero

In October 2020, HSBC Holdings plc announced its ambition to become a net zero bank by 2050. As per the HSBC Holdings plc Annual Report and Accounts 2024, HSBC Bank plc, which is the bidding entity, is a subsidiary of HSBC Holdings plc. HSBC Bank plc, as part of the HSBC Group, adheres to the climate strategy set by the HSBC Group and implements relevant policies and procedures at the entity level.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2019
Additional Details relating to the Baseline Emissions calculations.
HSBC emissions report adheres to the Greenhouse Gas ('GHG') Protocol, which incorporates the scope 2 market-based emissions methodology. We report GHG emissions associated with the energy used in our premises and employees' business travel and our supply chain in tonnes of CO2 equivalent. As a financial services organisation, carbon dioxide is the main type of GHG applicable to our operations, however, our current reporting also incorporates methane and nitrous oxide for completeness, although deemed immaterial. HSBC Group's organisational boundary is defined as "operational control" and GHG emissions data comprises greenhouse gas emissions arising from scope 1, 2 and scope 3 categories 1 (purchased goods and service), 2 (capital goods) and 6 (business travel), according to the GHG Protocol. The reporting below covers the Group's own operations and supply chain emissions.
Baseline year emissions: 2019

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	22,066 tCO ₂ e
Scope 2	392,270 tCO ₂ e
Scope 3 (Included Sources)	<p><u>Purchased Goods & Services</u> 1,033,972 tCO₂e</p> <p><u>Capital Goods</u> 50,651 tCO₂e</p> <p><u>Upstream transportation and distribution</u> Not captured</p> <p><u>Waste generated in operations</u> Not captured</p> <p><u>Business Travel Transportation</u> 272,008 tCO₂e</p> <p><u>Employee Commuting</u> Not captured</p> <p><u>Downstream Transportation</u> Not captured</p> <p>Source: HSBC Holdings plc Annual Report and Accounts 2024 (p. 59): https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2024/annual/pdfs/hsbc-holdings-plc/250219-annual-report-and-accounts-2024.pdf?download=1 </p>
Total Emissions	1,770,967 tCO ₂ e

Current Emissions Reporting

Reporting Year: 2024	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	15,025 tCO ₂ e

Scope 2	83,760 tCO ₂ e
Scope 3 (Included Sources)	<p><u>Purchased Goods & Services</u> 866,873 tCO₂e</p> <p><u>Capital Goods</u> 127,158 tCO₂e</p> <p><u>Upstream transportation and distribution</u> Not captured</p> <p><u>Waste generated in operations</u> Not captured</p> <p><u>Business Travel Transportation</u> 133,878 tCO₂e</p> <p><u>Employee Commuting</u> Not captured</p> <p><u>Downstream Transportation</u> Not captured</p> <p>Source: HSBC Holdings plc Annual Report and Accounts 2024 (p. 59): https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2024/annual/pdfs/hsbc-holdings-plc/250219-annual-report-and-accounts-2024.pdf?download=1</p> <p>ESG Data Pack 2024 (p. 12): https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2024/annual/pdfs/hsbc-holdings-plc/250219-esg-datapack-2024.pdf?download=1</p>
Total Emissions	1,226,693 tCO ₂ e

Further clarifications in current emissions reporting

- Total Emissions excludes financed emissions. For further details of HSBC Group's financed emissions reporting methodology, please see p.48 of HSBC Holdings plc Annual Report and Accounts 2024
- HSBC Group re-baselined its 2019 and restated its 2023 supply chain metrics in line with its emissions re-baseline and restatement policy (please see p.51 and p.59 of HSBC Holdings plc Annual Report and Accounts 2024). In 2024, HSBC Group made the decision to amend the methodology. It also identified an error in the mapping of industry averages. In addition, it has identified an error in its 2019 metric disclosed in HSBC Holdings plc Annual Report and Accounts 2023 for total energy consumption, which it has now restated.

- Fuel and energy related activities: Not relevant, any emissions relevant to fuel and energy has already been captured within reported Group's Scope 1 and 2 emissions.
- Upstream transportation and distribution: Upstream transportation and distribution are not currently deemed by HSBC to be relevant to the nature of its business. As a bank, HSBC does not require specific transportation and distribution, aside from that which occurs as part of our supplier relationships and as such is included in Purchased Goods and Services.
- Waste Generated in Operations: Waste generated in operations are not currently deemed by HSBC to be relevant to the nature of its business. As a bank, waste is not material to our industry, as concluded by CDP's Relevance of Scope 3 Categories by Sector paper.
- Employee commuting: In our Annual Report and Accounts 2024 we include emissions data for air, rail, taxi, hire car and employees' cars used for business purposes. We do not currently report emissions data for employee commuting. Gathering complete, accurate and consistent data on employee commuting is very complex, and presents a number of challenges, particularly for an organisation of HSBC's size and geographical spread. We are in the process of exploring different potential data collection and emissions estimation options.
- Upstream leased assets: Not relevant, upstream leased assets already included within Group's scope 2 emissions.
- Downstream transportation and distribution: Downstream transportation and distribution are not currently deemed by HSBC to be relevant to the nature of our business. As a bank, HSBC does not require specific transportation and distribution, aside from that which occurs as part of our supplier relationships and as such is included in Group's Purchased Goods and Services.
- Processing of sold products: Processing of sold products is not currently deemed by HSBC to be relevant to the nature of our business.
- Use of sold products: Use of sold products is not currently deemed by HSBC to be relevant to the nature of our business, selling services. The downstream emissions of these services are captured under Group's category 15.
- End of life treatment of sold products: End of life treatment of sold products is not currently deemed by HSBC to be relevant to the nature of its business, selling services. The downstream emissions of these services are captured under Group's category 15.
- Downstream leased assets: Downstream leased assets are not currently deemed by HSBC to be relevant to the nature of our business.
- Franchises: Franchises is not currently deemed by HSBC to be relevant to the nature of our business.

Emissions reduction targets

HSBC Group's ambition is to achieve net zero in its own operations, travel and supply chain by 2050. The Group currently expects to achieve a reduction of around 40% in emissions by 2030.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

- **Carbon reduction in HSBC's own operations**

In 2024, HSBC Group achieved a reduction in absolute operational greenhouse gas emissions (energy and business travel) of 66.1% from our 2019 baseline. Overall, including supply chain emissions, the Group achieved a 30.7% reduction against 2019 and 5.5% compared with 2023.

- In 2024, HSBC Group achieved a 30.5% reduction in its energy consumption compared with 2019 (2023: 26.3%).
- In 2024, HSBC Group reduced its scope 1 and 2 emissions (including energy and road fleet) to 98,785 tonnes CO₂e, representing a 76.2% reduction from our 2019 baseline and a 46.3% reduction from 2023.
- HSBC Group reduced its emissions from scope 3 business travel by 50.8% compared with 2019 with travel volumes remaining well below pre-pandemic levels, although emissions increased by 22.6% compared with 2023 as travel behaviours normalise gradually across the bank.

Source: HSBC Holdings plc Annual Report and Accounts 2024 (p.58 and p.59)

HSBC Group's guiding approach is, and will continue to be to reduce, replace and remove emissions from own operations and supply chain. The Group's plan is to first focus on reducing carbon emissions from consumption, and then replace remaining emissions with low-carbon alternatives in line with the Paris Agreement. The Group will reduce emissions through the purchase of 100% renewables and plan to add investments in sustainable aviation fuel to replace traditional fuel and reduce emissions from our travel over time. In line with current guidance, the Group expect to only use carbon credits to remove emissions when it is not possible to directly reduce or replace.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and 2 emissions have been reported in accordance with SECR requirements, and the required subset of scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been compiled with extracts of HSBC Holdings plc Annual Report and Accounts 2024 which was reviewed and signed off by the board of directors of

¹<https://ghgprotocol.org/corporate-standard>

²<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³<https://ghgprotocol.org/standards/scope-3-standard>

HSBC Holdings plc. This Carbon Reduction Plan is signed by David Rice as Chief Operating Officer, CIB and HSBC Bank plc.

Signed on behalf of the Supplier:



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Date: 10-Jul-2025