

Social and Environmental Key Facts

External Benchmarks

	2018 2017 2	2016
Interbrand Best Global Brands – Ranking – Brand Value		47th .5bn
Brand Finance Banking 500	9th 9th	9th
FSTE4Good	Member since 2001	
Hang Seng Corporate Sustainability Index	Member since 2010	
CDP	B A-	А
MSCI	BB BB	В
Sustainalytics	65 65	NA

Charitable Giving and Volunteering

	Units	2018	2017	2016
Cash charitable giving	US\$m	104.7	^{i, ii} 136.5	^{i, ii} 134.9
Europe		45.8	58.2	61.4
Asia Pacific		41.4	51.6	47.4
Middle East		4.1	6.2	4.6
North America		11.4	19.0	19.7
Latin America		2.0	1.5	1.9
Employee volunteering in work time	hours	264,138	272,799	255,376
Europe		108,561	61,394	50,696
Asia-Pacific		115,759	153,040	139,386
Middle East		8,674	7,921	7,987

ⁱ From 2015 until 2017, we made additional donations from our 150th Anniversary Community Fund.
ⁱⁱ For comparison purposes, currency values have been restated to reflect the position had foreign currency rates remained constant.

North America		18,662	19,844	23,306
Latin America		12,482	30,600	34,001
Employee volunteering in own time	hours	426,071	432,605	439,027
Value of employee volunteering in work time	US\$m	8.8	9.3	8.9
Management costs associated with charitable giving	US\$m	9.5	10.2	10.7
Total value of community contributions	s US\$m	123.0	156.0	154.5

Environment

	Units	2018	2017	^A 2016
Reporting coverage as % of Group	%	93%	93%	92%
Total CO ₂ e emissions	tonnes	559,000	580,000	617,000
CO ₂ e emissions from energy (Scope 1&2)	tonnes	^B 437,000	473,000	529,000
CO ₂ e emissions from business travel ^C	tonnes	^B 122,000	107,000	88,000
Total CO ₂ e emissions per FTE	tonnes	2.39	2.49	2.63
CO2e emissions per FTE from energy	tonnes	1.87	2.03	2.25
CO ₂ e emissions per FTE from business travel	tonnes	0.52	0.46	0.38
CO ₂ e emissions per m ²	tonnes	0.16	0.16	0.17
Total CO ₂ e emissions per FTE				
Europe ^D	tonnes	1.14	1.18	1.60
Asia-Pacific	tonnes	2.32	2.48	2.52
North America	tonnes	3.75	3.70	3.39
Latin America	tonnes	3.07	3.04	3.90
Middle East ^D	tonnes	4.01	4.25	3.88
Total energy consumption	gigawatt hours	1,092	1,134	1,250
Energy consumption per FTE	kWh/FTE	5,024	5,213	5,797

Energy consumption per m ²	kWh/m ²	318	317	335
Total electricity consumption	gigawatt hours	960	1,005	1,091
Primary fuel sources (gas, oil, diesel etc.)	gigawatt hours	131	129	158
Total waste produced	kilotonnes	23	25	26
Waste disposed to landfill	kilotonnes	8	8	8
Waste disposed per FTE to landfill	tonnes/FTE	0.04	0.04	0.04
Waste recycled	kilotonnes	14	16	18
% waste recycled ^E	%	61	66	68
Total water consumption	thousand m ³	2,425	2,691	2,841
Water consumption per FTE	m ³ /FTE	11.2	12.4	13.2
Total business travel ^C	million km	964	907	718
Business travel per FTE	km/FTE	4,436	4,171	3,331
Air travel	million km	775	779	582
Domestic air travel	million km	242	202	166
International air travel	million km	533	577	416
Rail travel	million km	41	42	40
Road travel	million km	77	70	85
Other travel ^C	million km	71	13	11

Appendix 1 – Scope 2 Electricity Dual Reporting

Country	Market Based Total (tonnes CO₂e) ^F	Location Based Total (tonnes CO ₂ e)	^G Instrument types
France	766	1,871	REGOs cover 67% of French consumption - Residual Mix from AIB for the rest
Germany	509	3,510	Supplier emission rate for 91% of the German consumption - Residual Mix from AIB for the rest
Hong Kong	115,756	141,511	Supplier emission rate
India	47,678	65,274	PPAs covering 27% of the energy consumed in India - National Factor from the Government of India Ministry of Power for the rest
LATAM	9,099	9,099	No market information available hence IEA factors used
Malta	3,194	3,147	Residual Mix from AIB
Mexico	46,880	58,446	PPAs covering 15% of the energy consumed in Mexico - National Factor from the Government of Mexico for the rest
Middle East and Turkey	28,487	28,487	No market information available hence IEA factors used
North America	38,279	38,279	No market information available hence eGrid for US and IEA factors for the other countries
Rest Asia Pacific	68,353	68,353	No market information available hence IEA factors used
Singapore	2,684	4,039	Supplier emission rate for 71% of the Singapore consumption - IEA for the rest
Switzerland	89	137	Supplier emission rate for 98% of the Swiss consumption - Residual Mix from AIB for the rest
United Kingdom	0	64,416	Wind and Solar PPAs covering 71% of the energy consumed in the UK - REGOs to cover the remaining 29%
Scope 2 Group total	361,774	486,569	
Scope 1 Group total	26,403	26,403	
Group total emissions from Energy ^H	388,177	512,972	
Group total emissions from Energy ¹	^в 437,000	^B 576,000	

Glossary

- AIB: Association of Issuing Bodies
- IEA: International Energy Agency
- **PPA:** Power Purchase Agreement
- **REGO:** Renewable Guarantee of Origin

Sources

GHG Scope 2 Guidance:	https://ghgprotocol.org/scope_2_guidance
Residual Mix:	<u>https://www.aib-</u> net.org/documents/103816/176792/AIB_2017_Residual_Mix_Results_v11.pdf/ 8eb82c2b-0fe9-5786-6b21-03e8b6830a94
Government of India Ministry:	http://www.cea.nic.in/reports/others/thermal/tpece/cdm_co2/user_guide_ver13.pdf
Government of Mexico:	https://www.gob.mx/cms/uploads/attachment/file/304573/ Factor_de_Emisi_n_del_Sector_El_ctrico_Nacional_1.pdf
eGRID:	https://www.epa.gov/sites/production/files/2015- 10/documents/egrid2012_ghgoutputrates_0.pdf

Notes and terms

^A From 2016, HSBC applied the Greenhouse Gas Protocol Scope 2 Guidance market based methodology – further detail provided in Appendix 1 – Scope 2 Electricity Dual Reporting

2018 Reporting Period	Market Based Total (tonnes)	Location Based Total (tonnes)
CO ₂ e emissions from energy (Scope 1&2)	^в 437,000	^в 576,000

^B Data assured by PricewaterhouseCoopers LLP (PwC). Please see HSBC CO2 Emissions Reporting Guidance and PwC Assurance Report (available at <u>http://www.hsbc.com/our-approach/measuring-our-impact</u>).

^c Travel emissions increased in 2018. As we continue to improve our transparency on data monitoring, you would expect to see some variance as these numbers becomes more comprehensive. For example, we have started to incorporate data where previously not available such as transporting our employees safely to support our 24/7 business activity.

^D Turkey was reported under Europe until 2016, and is now reported under Middle East, hence the variance from 2016 to 2017.

^E Recycling waste is one of our most challenging goals to achieve. Since 2011, we have reduced the amount of waste we produce by 63%. As we better understand the waste in our buildings, it has been harder to address the waste that is non-recyclable. We continue to address our waste challenge by finding ways to segregate and recycle. For example, as we move to digital, the amount of paper we produce and recycle decreases and therefore impacts our recycling rate.

^F Percentage of operations actually report under the market basis: 54% of HSBC's Energy consumption in KWh before uplift and scale up.

^G Instruments types have been checked against GHG Scope 2 quality criteria.

^H Before uplift and scale up.

¹ After uplift and scale up.