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HSBC ANNOUNCES US\$90 MILLION GLOBAL ENVIRONMENTAL EFFICIENCY PROGRAMME

NEW PROGRAMME WILL REDUCE BANK'S IMPACT ON THE ENVIRONMENT

HSBC, the world's first major bank to become carbon neutral, has committed a further US\$90 million over five years to reduce the bank's impact on the environment through a series of initiatives, including the introduction of renewable energy technology, water and waste reduction programmes and employee engagement.

The **Global Environmental Efficiency Programme** will enable HSBC offices worldwide to showcase environmental innovation and share best practice to help the bank achieve its environmental reduction targets. The programme will be reviewed annually to consider the success of trials, emerging technology, innovation and business needs.

Simon Martin, HSBC Head of Group Sustainability and Corporate Responsibility, said: "HSBC is determined to develop a sustainable business. Our shareholders, customers and employees consider these issues to be important – and this clearly demonstrates our continuing progress in placing sustainability at the very core of how we do business."

The environmental efficiency initiatives focus on some key areas:

- **Benchmarking** – developing flagship buildings to recognised environmental standards which are independently certified;
- **Footprint management and innovation** – reducing energy and water consumption, business travel and carbon dioxide emissions, paper use and waste production. This will include piloting innovative and new technologies and working with our clients in the environmental sector,
- **Behaviour** – training, awareness raising, flexible working practices; and
- **Environmental Management Systems** – systems and processes optimising the efficiency of the bank's operations.

Some of the projects already completed during the pilot phase of the Global Environmental Efficiency Programme include:

- Designing and building HSBC's first 'zero carbon' branch in Greece, New York, which optimises energy efficiency using geothermal ground source heat pumps;
- Installing solar photovoltaic panels at the First Direct offices in Leeds, UK;
- Introducing a bio-diesel plant for back-up generators in the Global Technology Centre, Pune, India; and
- Reducing waste by installing composting vessels in Hong Kong to recycle organic kitchen waste; and removing the majority of personal desk bins at the global HQ, London, in favour of a full recycling system.

Further initiatives will be introduced across the bank's global operations over the next five years.

Engaging HSBC's global workforce of 315,000 employees will be a key factor in the success of the Global Environmental Efficiency Programme. The HSBC Climate Partnership, a separate US\$100m, five-year programme launched on 30 May 2007 will facilitate employee engagement by:

- Creating a 25,000-strong 'green taskforce' worldwide who will undertake field research and bring back valuable knowledge and experience to their workplace and communities; and
- Help HSBC employees use their business skills and knowledge of climate change to help the Group build a more sustainable business.

HSBC has a long-standing commitment to the environment. HSBC was awarded the Climate Protection Award from the US Environmental Protection Agency in 2007 in recognition of the Group's contributions to global environmental protection. HSBC was awarded top spot in the Banks and Diversified Financials Sector of the Carbon Disclosure Project's latest Climate Leadership Index and named as the best performing bank in the 2006 ethical reputation rankings published by Geneva-based consultancy Covalence.

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Note to editors

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The HSBC Group is one of the largest banking and financial services organisations in the world. The Group has around 10,000 offices in 83 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa, serves over 125 million customers and has assets of US\$1,861 billion as 31 December 2006. HSBC was the first major bank – and the first FTSE 100 company – to become carbon neutral.

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