

# Sustainable Operations:

Our ten 2020 goals and performance to the end of 2015

Goal and responsible manager	Highlights	2015 performance	2016 actions
 <p><b>Sustainability engagement: encourage employees to deliver improved efficiency by 2020</b></p> <p>Owner: Sustainability Engagement Head, Operational Sustainability Team</p>	<p>More than 1,000 leaders trained through 85 experiential programmes since 2009</p> <p>Global employee 'REDUCE' campaigns launched in a number of countries</p>	<p>Ran HSBC's Sustainability Leadership Programme for 154 managers and corporate partners in six global locations</p> <p>Ran six tailored programmes for global businesses, functions and HSBC UK</p> <p>Ran three Corporate Partnership Programmes with our key strategic suppliers and banking clients</p> <p>Employee communication campaigns ran in Hong Kong, UK, USA, Canada and Mexico, as well as some global functions and businesses</p> <p>Launched online 'REDUCE' collaboration tool hosting factual information and interactive content to engage employees about sustainability</p>	<p>Continue and develop global employee campaign – 'REDUCE'</p> <p>Continue leadership programmes for managers and suppliers in seven global locations</p> <p>Run leadership programmes specifically focused on global businesses and banking clients</p>
 <p><b>Supply chain collaboration: sustainable savings through efficiency and innovation</b></p> <p>Owner: Chief Procurement Officer</p>	<p>Sustainable innovation projects running with a number of our largest suppliers</p>	<p>Completed trial with Sedex on assessing ethical and environmental risk</p> <p>Introduced a revised Ethical and Environmental Code of Conduct for Suppliers of Goods and Services to our largest 300 suppliers (by spend)</p>	<p>Continue to work with Sedex to implement ethical and environmental assessment of our 300 largest vendors by spend</p> <p>Complete a detailed analysis of suppliers with high-risk issues to determine mitigation strategies</p>
 <p><b>HSBC Eco-efficiency fund: Allocate USD5 million annually to develop new ways of working, based on employee innovations</b></p> <p>Owner: Chief Operating Officer</p>	<p>Funded 72 projects covering energy efficiency in buildings and data centres, employee engagement, renewable energy and paper reduction</p>	<p>Allocated USD2.9 million to fund sustainable innovation projects, including LED lighting upgrades, the installation of photovoltaic panels to power our offsite ATM network and electric vehicles in Malta and an initiative to reduce paper for printing customer bank statements</p>	<p>Consolidate the number of projects to focus on a smaller number of large innovative global projects</p>

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 <p><b>Energy: reduce annual energy consumption per employee by 1MWh by 2020, compared to 6.2MWh in 2011</b></p> <p>Owner: Global Head of Corporate Real Estate</p>	<p>22 per cent reduction in total energy consumption (MWh) since 2011</p> <p>Reduced annual energy consumption per employee by 0.63MWh since 2011</p>	<p>Achieved a 3 per cent reduction in total energy consumption (MWh) since 2014</p> <p>Continued to roll out main office lighting enhancements (LED and controls) across out office network. We saved 24,400 MWh through low cost and no cost initiatives delivered by our global facilities management partner</p>	<p>Continue to work with our facilities management and capital project partners to achieve energy reduction targets across all entities globally</p>
 <p><b>Waste: use less, and recycle 100 per cent of our office waste and electronic waste</b></p> <p>Owner: Global Head of Corporate Real Estate</p>	<p>50 per cent reduction in total waste since 2011</p>	<p>Achieved a 10 per cent reduction in total waste disposed</p> <p>Percentage of waste recycled remained just over 60 per cent</p> <p>Completed a review of waste disposal suppliers</p> <p>Set up a reporting system for electronic waste</p>	<p>Review waste solutions across all countries and ensure best practice is shared</p> <p>Continue to work towards a global solution for electronic waste</p>
 <p><b>Renewables: increase energy consumption from renewables to 25 per cent by 2020 from zero</b></p> <p>Owner: Global Head of Corporate Real Estate</p>	<p>Deals agreed to provide 9 per cent of HSBC's energy from renewables</p> <p>Continued development of renewable assets with developers in the UK, US, India and Mexico</p>	<p>A new windfarm started operating in the UK as part of a power purchase agreement with HSBC</p> <p>Deals in the pipeline to provide an additional 15% of HSBC's electricity from wind and solar sources</p>	<p>Finalise negotiations on projects in the US, UK, India and Mexico and start construction of wind and solar farms</p> <p>Identify innovation solution to powering HSBC's Hong Kong operations from renewable sources</p>
 <p><b>Green buildings: design, build and run energy-efficient, sustainable buildings to the highest international standards</b></p> <p>Owner: Global Head of Corporate Real Estate</p>	<p>Continue to maintain a global portfolio of high-performing, efficiently run buildings for our staff to work in</p>	<p>Four buildings awarded Green Building accreditation of LEED Gold or Platinum standard</p>	<p>Continue to manage our buildings efficiently and effectively, explore opportunities for further accreditations and ensure HSBC's new UK Head Office is built to the best appropriate standard</p>

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 <p><b>Data centres: achieve an energy efficiency (power usage effectiveness) rating of 1.5 by 2020</b></p> <p>Owner: Chief Information Officer</p>	<p>Engineering infrastructure, energy consumption and CO<sub>2</sub> emissions reduced across the Group Data Centres</p>	<p>Power usage effectiveness – a recognised industry measure – has decreased from 1.69 to 1.67. This has been achieved through measures such as Cold Aisle Containment (a form of air flow management facilitating increased efficiencies and reductions in energy consumption) and installing LED lighting. We also increased the operating temperature and made use of more energy efficient equipment</p>	<p>Implement 'free cooling' at one of our Data Centres thereby reducing operating costs, energy consumption and CO<sub>2</sub> emissions. This reduces our reliance on electrically powered cooling infrastructure and reduces our energy consumption</p> <p>Improve water efficiency and reduce energy consumption across all data centres</p>
 <p><b>Travel: reduce travel emissions per employee</b></p> <p>Owner: Chief Procurement Officer</p>	<p>11 per cent reduction in total kilometres travelled since 2011</p> <p>29 per cent reduction in carbon emissions from travel since 2011</p>	<p>Further reduced the CO<sub>2</sub> limit of our company car fleet to promote more fuel efficient choices for drivers</p> <p>Continued to promote the use of technology as an alternative to flying through our global staff engagement campaigns</p> <p>Used 651 million minutes of audio conferencing (88 million more minutes than in 2014) and 472 million minutes of WebEx (136 million more minutes than in 2014)</p>	<p>Focus on encouraging staff to travel more efficiently with targeted engagement campaigns</p> <p>Improve video conferencing and online messaging systems</p>
 <p><b>Paper: paperless banking available for all retail and commercial customers and 100 per cent sustainably sourced paper by 2020</b></p> <p>Global Head of Marketing</p>	<p>54 per cent reduction in paper purchased since 2011</p> <p>95 per cent of all paper used was certified sustainably sourced by the end of 2015</p>	<p>Decreased internal print usage by 3 per cent or 23 million sheets of paper through the 'managed print' programme</p> <p>Paper for customer correspondence has decreased by 6 per cent or 83 million sheets, as we consolidate correspondence and encourage more customers to migrate to online banking</p>	<p>Continue to reduce paper for internal use, customer correspondence and marketing</p> <p>Promote digital channels to our customers</p> <p>Ensure paper and paper-based products comply with our Group Paper Sourcing Policy</p>