HSBC Environmental Policy

HSBC is one of the world's largest banking and financial services organisations serving around 46 million customers. Our aim is to be acknowledged as the world's leading and most respected international bank.

1. **Environmental awareness**

Protection of the environment in which we live and operate is part of HSBC's values and purpose. We consider it to be sound business practice. We continue to reduce our environmental footprint by taking such measures as those outlined below. We have policies, training and engagement programmes in place to encourage our employees, suppliers and customers to do the same. Care for the environment is one of our key responsibilities and an important part of the way in which we do business.

2. **Policy** aims

In this policy statement, HSBC commits to:

- 2.1. Comply with all relevant environmental legislation, regulations and approved codes of practice in the countries where we operate
- 2.2. Reduce the direct impact of our operations on the environment and operate an internal environmental management system based on ISO 14001, as laid out in our Operational Sustainability Strategy
- 2.3. Reduce the indirect impact our commercial activities on the environment as laid out in our Sustainability Risk Policies and by applying the Equator Principles for project finance
- 2.4. Facilitate investment that can help the world move to a low-carbon economy through our commercial activities, as laid out in our approach to Climate Business
- 2.5. Providing philanthropic support to environmental charities, as a part of HSBC's community investment programmes
- 2.6. Provide training and engagement opportunities for our people in sustainability leadership and responsibility
- 2.7. Share our sustainability strategy and Key Targets and Goals with all key stakeholder groups, communicate our environmental performance PUBLIC 1

to our employees and other significant stakeholders and report our progress annually

- 2.8. Require all suppliers to adhere to our <u>Code of Conduct</u> and maintain high levels of environmental and ethical performance
- 2.9. Obtain <u>third party assurance</u> annually on carbon emissions and other material environmental performance metrics
- 2.10. Monitor and continuously improve our environmental performance

The policy statement will be regularly reviewed and updated as necessary. This policy has been approved by the Global Sustainability Executive Committee and endorsed by the Conduct & Values Committee of the HSBC Holdings Board.

January, 2017