

CSR case studies



HSBC

Involving staff in showcasing environmental innovation and sharing best practice to help achieve environmental reduction targets.

● The company

HSBC, one of the largest banking and financial services organisations in the world, has 10,000 offices in 83 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

In spite of its global reach, HSBC maintains a 'local bank' philosophy – local learnings, local customers and local products. The company wants to be the 'best place to bank and the best place to work' and its seven 'global pillars' around 'our customers', 'our culture' etc communicate the actions it is taking.

HSBC is committed to demonstrating leadership and transparency in its approach to corporate sustainability. It wants to be recognised as one of the companies with the ability to make a difference. Alignment of the Group's Corporate Sustainability programme to business strategy has attracted interest from stakeholders, brought value to staff and increased contact and communications with customers. The company takes a proactive approach because it recognises the importance of sustainability risk management in lending, that footprint management can have a positive impact on its operations and that stakeholders are increasingly seeing value in a proactive stance on the environment and climate change.

The initiative showcased in this case study is part of a wider sustainability programme, which includes: the HSBC Climate Partnership, a Carbon Finance Strategy and a Climate Change Centre of Excellence.

This case study focuses on HSBC's new Global Environmental Efficiency Programme (GEEP), designed 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 drivers

HSBC's Global Environmental Efficiency Programme (GEEP) has been designed to contribute to the company's existing and future environmental reduction targets and provide opportunities for showcasing innovation and sharing best practice in environmental innovation. It also aims to raise awareness amongst HSBC employees of its approach to reducing the bank's environmental impact, while facilitating engagement and local ownership.

● Taking action

GEEP grew out of HSBC's first internal global environment conference in 2005 which brought together key players within the bank to discuss sustainable development. Following discussions with the then Group Chief Executive, Stephen Green, the regions were canvassed for their opinions on the best way forward.

Over 100 proposals were received from staff at all levels across the organisation in the first application round. Staff were encouraged to submit their proposals through local budgetary channels with support from their local managers. Proposals needed to have a clear

business case in order for the project(s) to be approved.

Based on initial feedback, a pilot phase was implemented, involving five geographically dispersed projects. A personal favourite of Emma Page (Manager, Footprint Advisory Team) was the bank's first 'zero carbon' branch in Greece, New York. The branch incorporates a range of different innovations including, for example, rainwater recycling, ground source heat pump heating and cooling, solar panels and intelligent lighting. The project also addresses HSBC's 'global pillar' of being the best place to bank and has achieved a Gold rating in the Leadership in Energy Efficiency and Design standard.

GEEP was officially launched in June 2007 with HSBC's announcement that it is committing £45 million over five years to the programme. GEEP focuses on integrating innovative solutions and developing new technologies under four key themes:

- 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;
- Behaviour – training, awareness raising, flexible working practices; and
- Environmental management systems – systems and processes optimising the efficiency of the bank's operations.

One of the key challenges to developing GEEP has been maintaining high levels of innovation, while ensuring the programme has local relevance across the entire global HSBC network. These challenges have been overcome by: involving countries in the development process; communicating with staff through quarterly forums; empowering local offices to suggest and propose innovative ideas; and managing feedback process to understand the true value and opportunities

inherent in the initiatives and the overall programme.

HSBC is measuring, tracking and reporting on the success of GEEP using metrics related to: capital cost; operational cost; savings in operational metrics (e.g. energy in kWh); savings in travel metrics (e.g. distance in km); whole life cycle costs: and, payback. The programme will be reviewed annually to consider the success of trials, emerging technology, innovation and business needs.

● **Business benefits**

GEEP has facilitated transparent reporting on environmental impacts and demonstrated to stakeholders that HSBC is serious about reducing the bank's environmental footprint. Going beyond setting environmental reduction targets, GEEP has enabled the company to identify new and innovative ways of reducing energy, waste, water and carbon dioxide emissions. This has reduced the need to counter the impact of carbon especially, via offsetting. HSBC is a carbon neutral company, it incurs the additional costs that arise from procuring carbon offsets to neutralise the carbon emissions arising from their business operations.

Since 2004, energy consumption per full time employee at HSBC has reduced from 6.80 Mwh to 6.37 Mwh in 2005 and 6.16 Mwh in 2006.

● **Why is it CSR?**

HSBC is demonstrating its commitment to reducing its global environmental footprint, whilst investing time and resources into researching and developing new technologies to address climate change and its environmental impacts. GEEP is also providing a platform for employees to become engaged in the process of combating climate change through annual awareness raising initiatives, such as World Environment Day.

● **What next?**

HSBC is continuing to develop GEEP to facilitate the sharing of best practice and encourage greater participation and innovative thinking.

Contact us

Do you have any comments on this profile? Would you like your organisation to be profiled?

For further information, please contact Lee McDougall at Article 13 on 020 8840 4450 or email leem@article13.com.

For more information on HSBC and the Global Environmental Efficiency Programme, please contact Emma Page at emma.page@hsbc.com or visit the HSBC website at www.hsbc.com/committochange.

LEED promotes a whole building approach to sustainability by recognising performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. www.usgbc.org/LEED/

(Another relevant international family of assessment methods and tools for the construction of green buildings is the Building Research Establishment's Environmental Assessment Method or BREEAM.)

● **Additional Notes**

HSBC's 'global pillars' for joining up the company:

1. Our customers – service excellence;
2. Our brand – the world's local bank;
3. Our culture – the best place to work;
4. Our global distribution – our global advantage;
5. Our business – building for sustained growth;
6. Our technology and process – joining up the company; and
7. Our organisation – guidance with wisdom and delegation with confidence.

(Further information available on page 6, 2006 Annual Review, HSBC Holdings Plc)

The *HSBC Climate Partnership* is a five-year, £50 million partnership to respond to the urgent threat of climate change worldwide with the support of The Climate Group, Earthwatch Institute, Smithsonian Tropical Research Institute and WWF.

In 2006, HSBC launched its *Carbon Finance Strategy* that supports clients who are developing low carbon, clean technology and non-fossil fuel energy solutions, such as renewable energy technologies. To support the implementation of this strategy, HSBC has created a *Climate Change Centre of Excellence* to stimulate greater understanding of the implications of climate change and translate these into business opportunities for HSBC and its clients.

Leadership in Energy Efficiency and Design standard (LEED):

LEED is the US nationally accepted benchmark for the design, construction and operation of high performance green buildings.