

Our journey so far 2018



The HSBC Water Programme



“The HSBC Water Programme has been our flagship environmental programme since 2012. I am proud that HSBC supports the work of NGOs across the world and together we are making a difference to the lives and livelihoods of millions of people.”

Sue Alexander

Senior Manager, Environmental Programmes, HSBC

Launched in 2012 and originally a five-year USD100 million programme, the HSBC Water Programme is a collaborative partnership with Earthwatch, WaterAid and WWF. In 2017, the success of the Programme in tackling the global water challenge through water provision, protection, education and scientific research, saw it renewed for another three years, making it an eight-year USD150 million programme. The extended Programme continues to deliver global impact with a renewed focus on sustainable growth at its core.

As a leading global trade bank, HSBC has a role to play in supporting a shift to a responsible and sustainable economy, including championing sustainable supply chains and transition to a low-carbon future. To support this ambition, HSBC has committed to initiatives to tackle climate change and support sustainable economic development in the communities it serves.

HSBC has been working with businesses to help them manage environmental and social impacts, supporting them in adopting more sustainable practices.

2018 saw the launch of new projects on Sustainable Supply Chains with WaterAid and WWF.

Recognising the increasing importance of developing new skills in today's economy, we have also launched a Sustainability Training Programme in collaboration with Earthwatch. This programme aims to embed sustainability into the day-to-day business practices of HSBC employees and focuses on the impacts of urbanisation and climate change.

This publication highlights case studies and figures to demonstrate our shared vision of a sustainable future for all. Throughout, we have showcased how our collective work is contributing to growth which is both sustainable and economically viable, as well as supporting the implementation of the UN Sustainable Development Goals.

Sustainable supply chains

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Improving the apparel supply chains in Uttar Pradesh, India and Narayanganj, Bangladesh

WaterAid and HSBC have launched a new Sustainable Supply Chain project which will deliver essential water, sanitation and hygiene services to apparel factories and nearby worker communities in Bangladesh and India. This investment in the workplace, supply chains, and communities aims to improve health and quality of life for workers, and increase supply chain resilience and business productivity.

This project also enables WaterAid to test metrics to prove the financial value of water, sanitation and hygiene services.

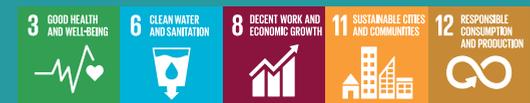


Driving positive environmental change in leather production in Kanpur, India

The Leather Buyers Platform is a pioneering approach that has the potential to become a substantial advocacy tool for improved sustainability in the leather sector. The Platform brings together companies, enabling them to work with WWF to reduce the environmental impact of leather production and drive positive change in the industry. WWF started the Platform in 2016, approaching businesses sourcing leather from Kanpur on the Ganges to talk about the water risk associated with the industry, and highlight the opportunities to work together to improve the situation.

The Platform now includes more than 10 UK retailers and brands (including Next, Matalan and New Look) and trade associations from the apparel and equestrian sectors.

HSBC joined the Platform to share knowledge of trade finance and support sustainable improvements in the Europe-India apparel supply chains.



Green infrastructure

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Providing solar-powered water supply in Wa, Ghana

WaterAid has installed solar-powered water pumps at Salaga Senior High School in the Northern Region of Ghana.

Ghana is one of the world's fastest growing economies. As well as supporting local businesses, this investment in low-carbon energy is securing Ghana's growth by building an economy fit for the future, as well as providing essential water, sanitation and hygiene (WASH) services.



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Nature-based solutions for urban climate resilience in France and the UK

The impact of climate change and increasing urbanisation has led to a rise in storm-water flooding, nutrient pollution and heat island effect, requiring urgent sustainable solutions.

Nature-based infrastructure, such as urban parks, have the potential to mitigate these impacts when located and managed strategically.

Earthwatch and HSBC are working together on multidisciplinary research in three European cities, combining state-of-the-art technology with traditional methods to measure the health of urban trees with respect to a range of soil, microclimate and hydrological conditions.

The research will investigate how different urban planning and land management practices influence the performance of urban trees, creating clearer guidelines for improved use of nature-based solutions, to build cities' resilience to climate change.



© JUSTIN JIN / WWF-US

Greening the Belt & Road

WWF launched a report outlining six key obstacles to sustainable infrastructure development, and the tools and approaches that can be used to help navigate these.

Specifically, WWF sets out its recommendations to financial institutions for responsible, sustainable infrastructure investments. The report also provides advice on how the finance sector can play a key role in delivering sustainable infrastructure by requiring best practices in planning, design, construction and operation.

The report has set strong foundations for future work, building towards greener infrastructure in more than 70 countries across the globe.



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Sustainability Training Programme with Earthwatch

Earthwatch has worked with HSBC for nearly 20 years, providing expertise in employee engagement, community programmes, and collaborative, impactful environmental research.

The HSBC Sustainability Training Programme is taking 2,000 employees, in nine locations globally, on an immersive learning journey around the impacts of urbanisation and climate change.

This collaboration aims to challenge ways of thinking and embed sustainability in day to day decision making and business practices.



Taking a collaborative approach to sustainability training in Shanghai and Guangzhou, China

Earthwatch and WWF-China are running The Sustainability Training Programme in Shanghai and Guangzhou, training a total of 260 HSBC China employees.

The Sustainability Training Programme will, more specifically, raise awareness of the UN Sustainable Development Goals and encourage participants to think about opportunities for sustainable finance across topics like climate change and urbanisation. It will also create a citizen science research project on wetland ecological service values for water systems in large cities within the Yangtze River Delta and the Pearl River Delta, the core of the Greater Bay Area.



People and development

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Climate change

Building climate-resilient water solutions in Dacope, Bangladesh

WaterAid and HSBC have been working together to support communities in areas of Bangladesh vulnerable to the impacts of climate change.

We have provided critical support to the development of sustainable, climate-resilient clean water sources and technologies, such as reverse osmosis plants and Water ATMs.

These services are having a positive impact on communities and their livelihoods, and will continue to do so in the future.



Entrepreneurship

Growing businesses and improving sanitation in Kalarwali, Pakistan

WaterAid and HSBC are committed to supporting entrepreneurs, in order to promote sustainable growth and innovate water, sanitation and hygiene services.

Zulfiqar, 31, owns a small shop in Kalarwali, Pakistan, which sells construction materials for toilets and sinks. He participated in WaterAid's entrepreneurship training programme. As a result his sales increased, and he was able to rent a larger shop. His approach of selling materials at a lower cost has also greatly increased his community's access to sanitation.



Figures correct as of July 2018
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The HSBC Water Programme

Where we work and our achievements so far

HSBC is committed to supporting the shift to a low-carbon economy.

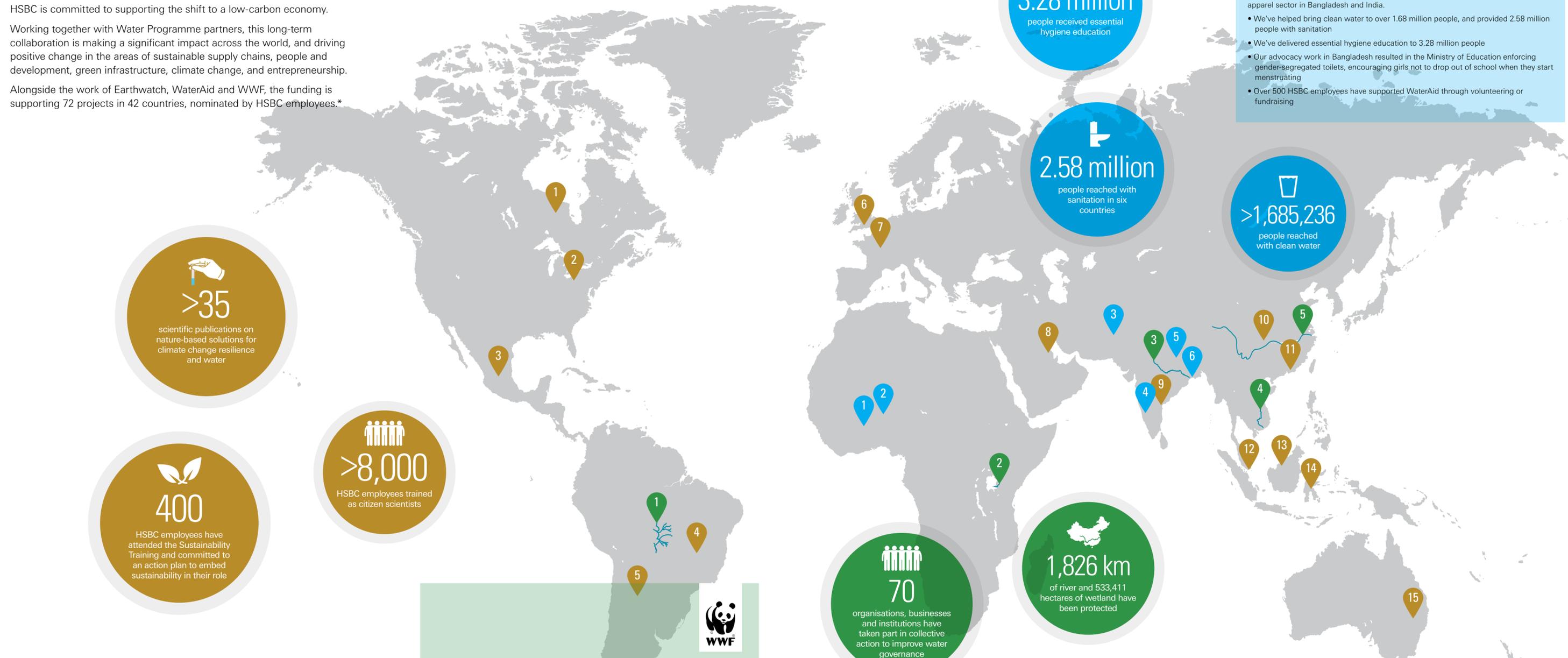
Working together with Water Programme partners, this long-term collaboration is making a significant impact across the world, and driving positive change in the areas of sustainable supply chains, people and development, green infrastructure, climate change, and entrepreneurship.

Alongside the work of Earthwatch, WaterAid and WWF, the funding is supporting 72 projects in 42 countries, nominated by HSBC employees.*



WaterAid and HSBC have worked together to tackle the world's water and sanitation crisis, focusing on six countries; Bangladesh, Ghana, India, Nepal, Nigeria and Pakistan. The success of the HSBC Water Programme continues as we accelerate change towards our shared vision of access to clean water, sanitation and hygiene by 2030. 2018 has seen the launch of a new Supply Chains Programme - focusing on the sustainability of global supply chains and the health and wellbeing of workers in the apparel sector in Bangladesh and India.

- We've helped bring clean water to over 1.68 million people, and provided 2.58 million people with sanitation
- We've delivered essential hygiene education to 3.28 million people
- Our advocacy work in Bangladesh resulted in the Ministry of Education enforcing gender-segregated toilets, encouraging girls not to drop out of school when they start menstruating
- Over 500 HSBC employees have supported WaterAid through volunteering or fundraising



Earthwatch engaged over 8,000 HSBC employees as Citizen Science Leaders with FreshWater Watch across 36 cities worldwide, collecting over 17,000 data points used in scientific data. These training days equipped HSBC staff with an awareness of the global water challenge and the skills to monitor water quality - inspiring them to become stewards of water conservation and environmental sustainability. On a global scale, the publication of 20 new scientific papers, using data collected by HSBC employees, has provided important evidence to inform freshwater management and policy, along with supporting the study of over 2,500 ecosystems.

In 2017 the Sustainability Training Programme was launched as the next stage in the evolution of the partnership, focusing on regional scientific research projects understanding the role nature can play in mitigating the impacts of climate change in urban areas. Launched in nine countries, this programme supports HSBC employees in building understanding of these issues. The research will contribute to scientific publications on nature-based solutions for climate change resilience in urban areas.



WWF and HSBC have been working together for 17 years to improve the health of freshwater sources, supporting the communities and nature which depend on them.

WWF's work as part of the HSBC Water Programme has focused on five key river basins, home to more than one billion people: the Ganges, Pantanal, Mara, Mekong and Yangtze.

In 2016, with the support of the HSBC Water Programme, WWF launched the Leather Buyers Platform, which focuses on mitigating the impacts of leather production in India through collective action with HSBC and more than 10 apparel and equestrian partners.

In 2017, building on the significant impacts achieved, we launched three new textiles projects in China, India and Vietnam, working to scale up sustainability in the sector and promote good water governance.

In March 2018, Brazil, Bolivia, and Paraguay governments signed a landmark tri-national declaration for the conservation and sustainable development of the Pantanal thanks to the support of WWF and HSBC.

Looking forward:

- We aim to support 3,000 people to be trained on wetland conservation, reducing their impact on water or rivers by 2020
- We're setting ourselves the goal of reducing the pollutants discharged into rivers by over 3,200 tonnes over the next two years, thanks to plans, policies and interventions

- | Earthwatch | WaterAid | WWF |
|------------------------|--------------|--|
| 1 Canada | 1 Ghana | 1 Pantanal – Brazil |
| 2 USA | 2 Nigeria | 2 Mara – Kenya and Tanzania |
| 3 Mexico | 3 Pakistan | 3 Ganges – India |
| 4 Brazil | 4 India | 4 Mekong – Cambodia, Laos, Thailand, Vietnam |
| 5 Argentina | 5 Nepal | 5 Yangtze – China |
| 6 UK | 6 Bangladesh | |
| 7 France | | |
| 8 United Arab Emirates | | |
| 9 India | | |
| 10 China | | |
| 11 Hong Kong | | |
| 12 Singapore | | |
| 13 Malaysia | | |
| 14 Indonesia | | |
| 15 Australia | | |
- * Australia, Argentina, Armenia, Bangladesh, Bermuda, Brazil, Canada, Chile, China, Egypt, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Korea, Lebanon, Luxembourg, Malaysia, Malta, Mauritius, Mexico, New Zealand, Oman, Philippines, Poland, Russia, Singapore, South Africa, Spain, Sri Lanka, Switzerland, Taiwan, Thailand, Turkey, UAE, UK and Channel Islands, USA and Vietnam.
- Visit thewaterhub.org/list-local-projects