



# Climate Action in Financial Institutions

PRINCIPLES FOR MAINSTREAMING CLIMATE ACTION

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## HSBC Sustainability Leadership Programme

Institution      Principle      Related Work Stream(s)



PRINCIPLE 1:

COMMIT  
to Climate  
strategies



SPREADING  
A CLIMATE STRATEGY  
INTO  
A WHOLE  
ORGANISATION

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Date Policy/Tool Established	Additional Capacity Required	How Established?
In 2009, HSBC committed to training senior managers across all areas of its global business, as well as external stakeholders (such as strategic supply chain partners and key clients), on a 5-day experiential-based Sustainability Leadership Programme (SLP).	Partnerships with external organisation (NGO) with relevant technical expertise and/or field expertise.	Expansion of and building upon HSBC's successful philanthropic experiential engagement programmes for junior staff. As part of HSBC's commitment to reduce its global environmental footprint. As part of HSBC's commitment to sustainable finance and a lower carbon economy.
Monitoring, reporting tools	How Implemented?	
<p>HSBC tracks progress made via monthly Governance meetings and quarterly reporting to Group Chief Operating Officer Sustainability Committee.</p> <ul style="list-style-type: none"> <li>Over 1500 senior managers trained internally and externally to HSBC</li> <li>Over 100 global strategic supply chain partners engaged and trained</li> <li>Over 23,000 hours of research conducted for science in climate change</li> </ul>	<p>The programme was designed and implemented with a partner NGO, Earthwatch to:</p> <ul style="list-style-type: none"> <li>Equip Senior Managers with an understanding (technical) of the need for a sustainable business and sustainable financing approach;</li> <li>Define and develop business plans to implement HSBC's Sustainable Finance commitments;</li> <li>Continue to build a global community of sustainability Senior Managers;</li> <li>Directly contribute to an environmental research project in the field, gathering real scientific data.</li> </ul> <p>The SLP has been implemented in numerous geographical locations: UK, US, UAE, HK, Costa Rica, Mainland China, India, Brazil, Mexico, France</p>	

## Key Lessons

- Experiential learning supports a deeper involvement of participants (away from day to day technology / digital interface), enabling participants to fully focus, as well as think differently. This involvement is critical in mobilising a movement for change across HSBC and its key stakeholders.
- Programmes gathering participants with different functions and from different geographic areas proved more successful in terms of collaboration and cross border initiatives. The diversity of cultures in each session lead to a better understanding of how everyone is working, breaking down barriers that may affect relationships and ways of working.
- Inviting key stakeholders, such as strategic supply chain partners and more recently clients to the programme, has improved working relationships and developed collaborative ways of working. This development is key to working effectively across global systems, as well as bringing about meaningful sustainable change.

## Introduction

As part of HSBC's ongoing global commitment to sustainability, HSBC is focused on embedding this ethos into the fabric of its corporate culture, through a senior management engagement framework called the Sustainability Leadership Programme (SLP). With the primary goal of supporting HSBC's long-term sustainability strategies and the delivery of its strategic goals, the SLP is a professional development experience that deeply engages selected senior executives (and key partners, including clients). The programme is designed to increase the participants understanding of global mega-trends such as climate change around the world and how these changes are affecting business now and into the future.

The Sustainability Leadership Programme is designed to increase both the capability and capacity of Senior Managers to enable HSBC to embed sustainability into all areas of business, leading to growth opportunities through the Bank's Sustainable Financing Commitments. Decisions and actions taken by the resulting sustainability leaders' network have delivered significant efficiencies across the bank and are now continuing to develop sustainable finance propositions, products and solutions throughout HSBC global businesses to help HSBC's clients to transition to a low carbon economy.

## Development and Design

The programme was the brainchild of a Senior Manager who attended the HSBC Climate Partnership Programme, one of the Bank's global philanthropic programmes. As his takeaway action, he decided to set up a similar experiential based learning programme (in climate change and sustainability) for other HSBC senior managers. A trial was run in the US from 2009 to 2012 focusing on operational senior managers in order to reduce HSBC's carbon footprint. The programme then started to train other Global Functions such as

Marketing and Communication teams. In 2015 the programme transitioned to focus on supporting HSBC to stimulate and drive sustainable growth in a global economy. Key learnings are taken away with the aim of realising commercial value through prioritising and embedding long-term social, environmental and ethical considerations in business decision making and strategy.

The programme is now a Flagship leadership programme residing in the newly established HSBC University and has engaged and trained over 1500 people from over 50 countries globally.

## Results

HSBC is consistently rated as one of the leading organisations for operational sustainability and has a world leading approach to energy efficiency, green buildings, de-carbonising our electricity supply and paper sourcing. Through the engagement and awareness raising of senior managers within the operational functions of HSBC, these senior managers and teams have taken both accountability and ownership for reducing the banks global environmental footprint, through its 10-point Reduce Strategy.

Based on this successful experience, two other programmes were developed:

- Sustainability Champions Programme 2014 – 2017: A spin off programme of the sustainability leadership programme, was realised by programme alumni wanting to further embed sustainability into the way HSBC does business, by helping design a shorter programme targeted at more junior but client facing members of staff.
- Corporate Partnership Programmes 2013 – 2017: As a result of the Banks' implementation of initiatives to reduce its global environmental footprint,

with a focus on its supply chain, HSBC decided in the UK to deeply engage its strategic supply chain partners in a 3-day programme, leveraging the experiential nature of the sustainability leadership programme.

## Impact

Since 2009, the programme has built up a global sustainability network of purpose-driven senior managers both internally and externally to HSBC leading to both transformational and culture change. It is this network (through its capacity and diverse capabilities) across every business and function that has seen year-on-year reductions in the Banks' global environmental footprint. Alongside some of the other key outputs named above, the network will now be instrumental in supporting HSBC mobilise its new Sustainable Finance commitments, especially the US\$100bn of additional finance and investment to provide the products and services that will enable the banks clients across the world transition to a low carbon economy.

Please find at the following link a video presenting the Sustainability Leadership Programme (100th programme – leading a greener business): <https://www.youtube.com/watch?v=7U2hlgplLM>

## Next steps

HSBC, through the Corporate Sustainability Function, will continue to leverage the Sustainability Leadership Programmes (as well as other collateral under the guise of the new HSBC University) to engage, train and further build out the global network of senior managers (targeting the front line global businesses) that will mobilise HSBC's Sustainable Finance Commitments, supporting HSBC clients' transition to a lower carbon economy. HSBC will also look to further use these programmes as a way of deeply engaging with key clients / stakeholders for a sustainable business and economy.

The Corporate Sustainability function has recently been requested by other global corporations in the Energy, Real Estate and Financial sectors to share information on how the Sustainability Leadership Programme was both developed and works in practice, so they too can engage their senior managers on important "megatrends" such as sustainability.

For further information, please contact your dedicated HSBC mainstreaming contacts who will put you in touch with the organizers of HSBC's Sustainability Leadership Programme.:

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