

Particulars

About Your Organisation

1.1 Name of your organization

HSBC Holdings Plc

1.2 What is/are the primary activity(ies) or product(s) of your organization?

- Oil Palm Growers
 - Palm Oil Processors and/or Traders
 - Consumer Goods Manufacturers
 - Retailers
 - Banks and Investors
 - Social or Development Organisations (Non Governmental Organisations)
 - Environmental or Nature Conservation Organisations (Non Governmental Organisations)
 - Affiliate Members
 - Supply Chain Associate
-

1.3 Membership number

5-0009-04-000-00

1.4 Membership category

Ordinary

1.5 Membership sector

Banks and Investors

Banks and Investors

Operational Profile

1.1 Please state what your main activities are in the finance sector. Tick all that apply:

- Corporate / Commercial Banking
- Trade Finance
- Retail / Private Banking
- Investment / Equity
- Debt / Capital Markets
- Capital Market Advisory Service
- Other

Operations in Palm Oil

2.1 What are the various types of financial services to the palm oil sector provided by your organization?

- Trade Solution
- Lending / Loans
- Leasing
- Treasury Products
- Cash Management Products
- Investment
- Insurance
- Other

2.2 What geographic countries/regions do you operate in for the palm oil business?

- Africa
- Australasia
- Europe
- North America
- South America
- Middle East
- China
- India
- Indonesia
- Malaysia
- Rest of Asia

Palm Oil Policy

3.1 Does your organization have a lending or investment policy on palm oil?

Yes

Uploaded files:

[F-Lending-Policy.pdf](#)

3.2 Which sectors does your palm oil policy cover?

- Growers
- Trade
- Processors

3.3 Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and oil palm products and/or RSPO certification?

Yes

3.4 Do you have a policy that require all your palm oil customers to be RSPO members?

Yes

3.5 Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?

Yes

3.6 When do you expect to require grower customers to be 100% RSPO certified?

2018

3.7 When do you expect to require customers in other sectors to be 100% RSPO certified?

2018

3.8 In which countries/regions that your organisation operates, do the above commitments cover?

- Africa
- Australasia
- Europe
- North America
- South America
- Middle East
- China
- India
- Indonesia
- Malaysia
- Rest of Asia

3.9 What measures do you take if a client is not meeting the requirements of your policy on palm oil?

HSBC has a policy requirement for our existing clients to have at least 1 operation already certified and the remainder of their existing operations fully certified by DEC2018.
 New clients with new operations must certify their first operation within 12 months and 100% of their operations within 4 years. If any customer is not meeting our policy, HSBC will engage with them to take actions to ensure they can achieve compliance within an agreed time period.
 Failure to meet the agreed timebound plans to achieve certification and compliance with our policy can lead to HSBC exiting from a specific client relationship.

3.10 Do you proactively engage with your customers to support and ask them to join the RSPO?

Yes

3.11 What other activities have you undertaken in the reporting year to promote RSPO certified sustainable palm oil and oil palm products?

HSBC engages in ongoing dialogue with our clients and promotes RSPO and Certified Sustainable Palm Oil (CSPO) at industry events and conferences, supporting the benefits of RSPO certification and sustainable palm oil development. HSBC provides financing to clients purchasing or selling CSPO through structured trade facilities to incentivize trading and uptake of CSPO.

HSBC is taking a leading role in the RSPO through technical working groups and representing the financial sector on the Board of Governors to improve standards, transparency and strengthen processes to accelerate the transition to CSPO becoming the norm.

HSBC, in February 2017, strengthened our Agricultural Commodities policy to include protection of High Carbon Stock and peat areas, accepting RSPO Next certification as independent evidence for clients meeting our policy requirements.

HSBC has participated in several sustainability outreach events across South East Asian as a lead speaker to encourage the adoption of sustainability policies and considerations in financing activity.

Actions for Next Reporting Period**4.1 Outline actions that will be taken in the coming year to promote RSPO certified sustainable palm oil and oil palm products**

HSBC continues to promote the increase in production and uptake of CSPO in the whole palm oil supply chain. HSBC works with our client base and prospective clients to promote RSPO and CSPO as a way of evidencing sustainable operations and managing their risks.

Reasons for Non-Disclosure of Information**5.1 If you have not disclosed any of the above information, please indicate the reasons why****Application of Principles & Criteria for all members sectors****6.1 Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C, such as:**

- Water, land, energy and carbon footprints
- Land Use Rights
- Ethical conduct and human rights
Uploaded file: [F-Policies-to-PNC-ethicalconducthr.pdf](#)

Related link: <http://www.hsbc.com/~media/hsbc-com/citizenship/our-values/pdfs/150930-hsbc-statement-on-human-rights.pdf>

- Labour rights
Uploaded file: [F-Policies-to-PNC-laborrights.pdf](#)
- Stakeholder engagement
- None of the above

6.2 What best practice guidelines or information has your organization provided in the past year to facilitate production and consumption of RSPO certified sustainable palm oil and oil palm products? What languages are these guidelines available in?

HSBC Agricultural Commodities sector policy covers our palm oil financing activities to sector clients including mandatory RSPO membership and all existing operations are to be certified by 2018. This directly supports and encourages production and consumption of CSPO by palm oil sector clients financed by HSBC.

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Link to Website

<http://www.hsbc.com/news-and-insight/media-resources/media-releases/2017/hsbc-statement-on-revised-agricultural-commodities-policy>

GHG Emissions

7.1 Are you currently assessing the GHG emissions from your operations?

Yes

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Link to Website

<http://www.hsbc.com/our-approach/sustainability/operations>

7.2 Do you publicly report the GHG emissions of your operations?

Yes

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No files were uploaded

Link to Website

<http://www.hsbc.com/our-approach/sustainability/operations>

Support Smallholders**8.1 Are you currently supporting any independent smallholder groups?**

Yes

8.2 How are you supporting them?

HSBC through their Group Corporate Sustainability programme and partnerships have initiated a programme worked with smallholders in Indonesia towards improving sustainability practices and eveloping impacts at a landscape level.

Challenges

1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

1. Lower demand for CSPO from major buying markets (particularly China, India and SE Asia) where local consumption has limited preference for CSPO. 2. RSPO certificates offer insufficient financial incentive for small growers to invest in long term sustainability journey and certification. RSPO should support greater use of this model and widen its application.. 3. Low transparency in figures for CSPO sold as ISCC dual certified product but not reported in RSPO figures for sustainable palm oil. HSBC has been working with our own client base to see more take up of CSPO, both physical and certificates by manufacturers and traders.

2 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

HSBC continues to be involved in financial sector initiatives to outreach on sustainability issues, through speaking at banking seminars and workshops. In 2017 HSBC will join the Banking Environment initiative and take a leading role in the commodity supply chain change.

3 Other information on palm oil (sustainability reports, policies, other public information)

- No files were uploaded

Link: <http://www.hsbc.com/news-and-insight/insight-archive/2017/hsbc-publishes-environmental-social-and-governance-update>
