

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?

- Grower
 - Processor and/or Trader
 - Consumer Goods Manufacturer
 - Retailer and/or Wholesaler
 - Bank and/or Investor
 - Social and/or Development NGO
 - Environmental and/or Conservation NGO
 - Supply Chain Associate
 - Affiliate
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1.3 Membership number

5-0009-04-000-00

1.4 Membership category

Banks and Investors

1.5 Membership sector

Ordinary

Bank and/or Investor

1. Operational Profile

1.1 Please state your main activity(ies) within the palm oil supply chain. Please select the option(s) that apply to you

- Corporate / Commercial Banking
- Trade Finance
- Private Banking
- Investment / Equity
- Debt / Capital Market
- Other:

Other:

2. Operations in Palm Oil

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

- Trade Solutions
- Lending/Loans
- Leasing
- Treasury Products
- Cash Management Products
- Investments
- Insurance
- Other

Other:

2.2 What geographic region(s) do you operate in for the palm oil business?

Africa, Oceania, Europe, South America, Middle East, China, India, Indonesia, Malaysia, Rest of Asia

3. Palm Oil Policy and Progress

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

Yes

3.2 Which sub-sectors does your palm oil policy cover?

- Growers
 - Traders
 - Processors
 - Consumer Goods Manufacturers
 - Retailers
 - Others
-

3.2 Others

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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 requires 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 all your Grower customers to be RSPO certified?

2018

3.7 When do you expect to require all your customers in other sectors to be RSPO certified?

2018

3.8 In which regions do the above commitments cover?

Worldwide

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

HSBC has a policy requirement for our existing clients to have all current existing (and certifiable) operations 100% certified. If a 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 could lead to HSBC exiting from a specific client relationship when contractually possible.

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

In February 2017, HSBC strengthened our Agricultural Commodities policy to include protection of High Carbon Stock and peat areas, which is now aligned to the new RSPO P&Cs agreed as of Nov2018.

HSBC continues to participate in several sustainability outreach events across South East Asia as a lead speaker to encourage the adoption of sustainability policies and considerations, including support of RSPO and CSPO in financing activities. We are also directly involved with the India and China Sustainable Palm Oil Alliances, a cross party working group looking to advance RSPO certification and best practices.

4. 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.**

Continue engagement through the China and India alliances.

Continued engagement with clients and prospect clients in the sector to pursue certification and encourage CSPO uptake Programmes with NGO partners to advance sustainable palm oil developments for smallholders and support of jurisdiction approach.

5. Non-Disclosure

5.1 Information in the sections above are mandatory declarations in your ACOP. For confidentiality purposes, members may choose not to display data in Section 3 publicly; however, RSPO reserves the right to utilise the member's data on an aggregate basis for sectoral and total analysis. Please check this box if the member consents to have the data in Section 3 displayed publicly.

Yes - Display Publicly

6. Application of Principles & Criteria for all member sectors

6.1 Regarding your company's 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. Select all relevant options.

6.1.A Water, land, energy and carbon footprints

File: --

Link:

<https://www.hsbc.com/-/files/hsbc/our-approach/measuring-our-impact/pdfs/190408-esg-update-april-2019-eng.pdf?download=1>

6.1.B Land use rights

File: --

Link: --

6.1.C Ethical conduct and human rights

File: --

Link:

<https://www.hsbc.com/-/files/hsbc/our-approach/risk-and-responsibility/pdfs/190327-hsbc-statement-on-conduct.pdf?download=1>

6.1.D Labour rights

File: --

Link:

<https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2018/annual/hsbc-holdings-plc/190412-msa-statement.pdf?download=1>

6.1.E Stakeholder engagement - Name

File: --
Link: --

6.1.F None of the above. Please explain why.

-

6.2 What best practice guidelines or information has your organisation 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 is working with NGO partners on a number of RSPO related programmes to encourage sustainable palm oil production

7. Support for Oil Palm Smallholders

7.1 Are you currently supporting any oil palm Independent Smallholder groups?

Yes

7.2 If yes, how are you supporting them?

HSBC supports a smallholder community through a project with an NGO partner to advance sustainable palm oil production, with ultimate certification aims.
HSBC is also engaging with client related to their support of smallholder and supply chain initiatives aimed at improving smallholder sustainability and livelihoods.

7.2.1 Do you have any future plans to support oil palm Independent Smallholders?

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7.2.2 When do you plan to start your support for oil palm Independent Smallholders?

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8. Challenges

8.1 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?

- Awareness of RSPO in the market
 - Difficulties in the certification process
 - Certification of smallholders
 - Competition with non-RSPO members
 - High costs in achieving or adhering to certification
 - Human rights issues
 - Insufficient demand for RSPO-certified palm oil
 - Low usage of palm oil
 - Reputation of palm oil in the market
 - Reputation of RSPO in the market
 - Supply issues
 - Traceability issues
 - Others
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Other:

8.2 In addition to the actions already reported in this ACOP, how has your organisation supported the vision of RSPO to transform the market for sustainable palm oil in other ways? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

- Engagement with business partners or consumers on the use of CSPO
 - Engagement with government agencies
 - Promotion of CSPO outside of RSPO venues eg trade workshops industry associations
 - Promotion of physical CSPO
 - Providing funding or support for CSPO development efforts
 - Research & Development support
 - Stakeholder engagement
 - Others
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Other:

8.3 Please attach or add links to any other information from your organisation on your palm oil policies and activities (e.g.: sustainability reports, policies, other public information)

<https://www.hsbc.com/-/files/hsbc/our-approach/risk-and-responsibility/pdfs/170220-hsbc-agricultural-commodities-policy.pdf?download=1>

<https://www.hsbc.com/our-approach/risk-and-responsibility/sustainability-risk/forestry-and-agricultural-commodities>
