

ENVIRONMENT

reaching for the sky

With 10,000 offices, HSBC has a sizeable global environmental footprint, despite being in a sector not normally associated with climate change issues. Its new Environmental Efficiency Programme aims to reduce the bank's impact dramatically over the next few years

Whatever your take on modern urban architecture, you can't help but be impressed with HSBC's new headquarters in Mexico City. Four years in the making, its 36 floors of glistening steel and glass measure nearly 140 metres from pavement to roof. But as dramatically imposing as the Torre HSBC might be, it's not the magnitude of this 40,000 square-metre (431,000 square feet) office that is turning heads. Rather, attention is focusing on its innovative design. Opened in April 2006, HSBC's Mexican headquarters is being hailed as the most environmentally-friendly office in Latin America.

Among the building's many eco-innovations are a rainwater collection system, a water treatment plant and a system of efficient irrigation for the Torre's green areas. The roof is home to a forest of endemic plants that require very little water. The tower is equipped with a device that cuts energy consumption by 40 per cent.

As a working environment, it's a far cry from most dingy, neon-lit office spaces. Nine out of ten of the building's 2520 workstations boast a view outside and 75 per cent are illuminated by natural light. For those that are not, the building's architects have installed an 'intelligent illumination system' that automatically regulates lighting levels, thereby reducing the amount of electricity consumed.

In time, HSBC wants all its flagship buildings to be as eco-efficient as its Mexican headquarters. As one of the world's largest banks, that is no small objective. It owns or occupies offices and branches in 82 countries. Under its Environmental Efficiency Programme, it intends to invest tens of millions of pounds over the next five years to improve the environmental footprint of its buildings. The funding will be used to finance a range of efficiency measures, including renewable energy technologies such as micro wind-turbines and solar panels.

An important element of the programme is to raise awareness among HSBC employees. Promoting sustainable travel and renewable technology will, it is hoped, become second nature to the company's executives in the near future.

Finally, the programme is set to build on HSBC's existing efforts on waste management. It intends to

the company

With operations in 82 countries and territories and annual profits of \$22 billion (£11bn), HSBC is one of the world's largest banks. The 141-year-old company is also one of the sector's social and environmental leaders, winning top spot at the inaugural *Financial Times* Sustainable Banking Awards in 2006. It:

- has a Carbon Management Plan that focuses on reducing direct emissions, buying electricity from renewable sources and offsetting its remaining carbon dioxide emissions
- runs Investing in Nature, a \$50m, five-year partnership with the Earthwatch Institute, WWF and the UK-based Botanic Gardens Conservation International
- has lending guidelines for the forestry, freshwater, infrastructure, chemicals and energy sectors
- supports Partnership in Environmental Innovation, a three-year-old, £650,000 UK-based collaboration with Newcastle University and University of East Anglia, to research climate change and environmental damage.

the bank will invest tens of millions over five years to improve the environmental footprint of its premises

establish a comprehensive, company-wide system based around what Jon Williams, head of group sustainable development, calls the 'three Rs': reduction, reuse and recycling.

The programme's various activities have two guiding priorities. First, projects must be easy to adopt. And second, they should wherever possible make commercial sense. 'If you make eco-efficiency easy, people will be more inclined to do it,' explains Williams. 'What's more, even if there's no immediate payback, we want the programme to inform us about what technologies can be used around the world.'

As a first step, HSBC will be focusing on improving the environmental performance of 50 of its major buildings. It will use these to benchmark the company's total property portfolio and to provide a source for emerging best practice. Every year the programme will be subject to a full review, during which the success of the emerging technology and the bank's business needs will be taken into account.

HSBC is no newcomer to sustainable construction, as its Mexican headquarters indicates. The other jewel in its crown is the bank's global head office in Canary Wharf, central London. Designed by the world-renowned architect, Lord Norman Foster, the 45-storey building is fitted with the latest environmental efficiencies in mind. It boasts escalators that go into



■ HSBC's 45-storey global head office in London has glass windows covered with thin-film solar photovoltaic panels – and even its own bottling plant in the basement

'standby' mode when not in use as well as an intelligent lighting system – the single largest installation of its kind in Europe – which allows out-of-hours lighting to be controlled via an employee's telephone. It even has a bottling plant in the basement, which keeps the purchase of glass bottles to a minimum while diverting 150,000 tonnes of glass from landfill each year.

But where the Canary Wharf example really acts as a model for the rest of the company is its success in motivating employees to change their behavioural patterns. Personal rubbish is a case in point. In the Canary Wharf offices alone, the amount of waste going to landfill was reduced from 78 per cent to zero following the introduction of a dual bin recycling system for employee use in 2006, and the bank is now looking to have similar schemes in all its major UK offices.

The overall impact of these efforts in its London headquarters recently earned the tower an Energy Efficiency Accreditation from the National Energy Federation. The accreditation comes after the Building Research Establishment rated the building operations and management as 'excellent' in its annual environmental assessment. It was the first office space in Canary Wharf to achieve such an accolade.

The challenge of spreading best practice to the rest of HSBC's offices is considerable. First and foremost is the problem of scale. HSBC employs 312,000 people across the world. Communicating to people in different countries and different cultures is no easy task, admits Williams. To move things along, the bank has a number of dedicated corporate responsibility teams throughout the group as well as a total of 26 sustainability risk managers in all the major regions where it operates.

Williams remains realistic about the extent to which sustainable buildings can reduce the bank's overall footprint. Even if all its buildings resemble its flagship offices in London or Mexico, its activities will still result

in carbon emissions, albeit in reduced volume.

In addition to HSBC's in-house energy reduction and recycling initiatives, therefore, it is also investing in external carbon reduction programmes. In 2004 it began buying green electricity and carbon credits to offset the carbon emissions it could not eliminate and in 2005 became the first major bank in the world to become 'carbon neutral'.

Of course, getting its own house in order is only the first step for a bank of HSBC's size and influence. The second, much bigger, move will be to examine the environmental impacts relating to the financial services it offers its 125 million customers. HSBC has already launched a business strategy to help its clients respond to the challenges and opportunities of creating a lower carbon economy.

Sat in their ultra-efficient offices in Canary Wharf, at

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comment HSBC



Climate change is of concern to all organizations, and HSBC is working hard to manage its environmental impacts on a global scale. As one of the largest banks, its global Environmental Efficiency Programme provides scope for the company to reduce its impacts and provide leadership for others. Having won awards for its environmental programmes, the bank is now looking at the environmental impact of the services it provides.

features of note include:

- the significant investment HSBC has made in environmental technologies for its buildings, as well as in research on climate change
- the communication to its workforce about their role in eco-efficiency; ensuring that activities are easy to understand and commercially viable
- off setting emissions to make the company 'carbon neutral'

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