

THE CURRENCY OF HOPE



HSBC 
The world's local bank



At HSBC in India, Corporate Social Responsibility, is not just a buzzword. It is at the core of our every initiative. Even this brochure is an example of how CSR permeates our actions. The drawings you see in this brochure are the work of children from Akanksha, an organisation that works with street children, who come to HSBC as part of a mentoring program.

In 2004 - 05, HSBC invested over Rs. 300 million in CSR-linked initiatives in India. Yet, it's when you look beyond the cold numbers that you see how HSBC has touched the lives of people across the country.



Class by Shanno

Planting hope where nothing grows

Tucked away in a corner of the western Indian state of Gujarat is a vast desert landscape. In this land, there is nothing.

Not a tree. Not a plant. Not a blade of grass. Just 5,000 sq. km. of mud-flats, cracked dry by the assault of the sun. In the day the temperature soars above forty degrees Celsius. At night it plummets to four. Nothing grows in this inhospitable land. And the water is undrinkable.

Yet the undrinkable water is the lifeline of people who come to live and work in this harsh desert. The salinity of the water here is 17%. That's five times higher than sea water! The migrants eke out a miserable living extracting salt out of a 100 sq.ft. plot.

This is the Little Rann of Kutch, best known for its endangered wild ass and little known for its marginalised communities. Ten year old Ramesh lives here with his parents.

50 km. north-east to where Ramesh lives is the town of Patadi. A nondescript town in Gujarat's Surendranagar district, Patadi is two hours drive from the state's capital Gandhinagar. On the outskirts of Patadi is a large building bustling with young boys and girls. They too, like Ramesh, are children of salt pan workers. They have come here under the aegis of an NGO called Ganatar. Ganatar works to rescue Ramesh, and thousands of other children like him, from the vicious cycle of exploitation and poverty. A board outside the building reads 'Gijubhai Bal Academy, HSBC Campus'.

Ramesh is the third of five surviving children of Ramdayal and Shanti Solanky. They have to depend on the contractors

for everything. For selling their salt. For buying food. Even for potable water, that comes all the way from the towns in tanker trucks. A quarter of the twelve thousand rupees they earn in a year is spent on buying water. Then there is another major chunk to be paid as lease to the contractors. Plus repayment for earlier loans taken from the contractor. The only way to keep body and soul together is to take more loans.

Ganatar, the NGO working with the salt pan workers believes that the only way to break this vicious cycle of exploitation and poverty is through education. They believe that if you cannot bring children to school, take the school to the children. So Ganatar runs schools in the salt pans for the children of salt pan workers. Ganatar wants to reach out to all children in the Little Rann of Kutch.

Ramesh's hero is his teacher Kishorebhai. Kishorebhai knows everything. Kishorebhai has told Ramesh that if he studies hard, he too can go to Patadi. Ramesh has never been to Patadi. He loves to hear Kishorebhai's stories about Patadi. Buildings so big that a hundred people can sit in them. Roads with shiny buses and scooters. He especially loves to

hear about all the important people Kishorebhai meets at Patadi. Kishorebhai says that he is a student in the HSBC Campus, just like Ramesh is a student of the desert school. What he learns at Patadi, he comes and teaches at Ramesh's school.

The HSBC Campus at Patadi is home to a unique experiment. Children of salt pan workers get a chance to complete their primary education and higher studies. They also learn vocational skills like carpentry or tailoring. These young adults can then either go back and teach in the communities they came from, or choose to follow their new vocation. Kishorebhai chose to go back and teach.

It is the 15th of August. On Kishorebhai's cue, twenty-two voices harmonise and the Indian national anthem wafts out of the school's humble mud compound across the empty desert. Ramesh's heart swells with pride as he looks up at the Indian flag fluttering in the wind. His teacher has told him that India is a free country, and if you study hard, you can be anybody you want to be. Ramesh wants to become a doctor. The future is pregnant with promise.



Life's little learnings

At Antop Hill, in one of the numerous shanties dotting Mumbai, defeat is omnipresent. You see it in their eyes, in their silence, in their posture. You see it in their rickety houses made of tin sheets. You can smell it in the wind.

Birds by Arun



In this cesspool of despair and hopelessness, her smile cuts through like a shaft of sunbeam piercing through a gloomy grey sky. "I'm leaving! Will you make something sweet when I get back?" With a hurried wave of her hand, 10-year-old Sakina flashes out of her mother's view.

20 km south of Sakina's home, in the heart of Mumbai's business district is an art-deco building built in 1951. This is the head office of HSBC India. The clock in the training room reads five thirty as Archanna Das along with her colleagues troop in.

Two floors below, the stern expression of the security guard softens into a smile. In his two years of service he has never smiled from the heart. Oblivious to the stiff behavioural protocol of the corporate world, a chirpy group of 8 uniform clad children march under the canopy of corporate grandeur, past the smiling security guard.

Sakina is the first to walk up to the room where Archanna and others are waiting for their bright and bubbly mentees. The children are ushered in by their Akanksha co-ordinator, Dimple. Akanksha is an NGO working with street and slum children and strives to give them education, skills and training that will

empower these children to better their lives. HSBC employees play mentor to these children.

"Say good evening to your mentors!", Dimple prods the children. With a lively greeting the third mentoring session gets underway.

"We're late. We were scheduled to begin at 5.30 and we're actually beginning at 6", notes Dimple. Had this been a situation in school, the mentees would have had to open their palms for some very painful caning. Here, they only have to open their minds to learn.

This evening's agenda - Time Management.

Twelve-year old Shubha shares her typical day. "I spend 7 hours in school, next I go to Akanksha school for learning, after which I go for my tuition class. It's only after this that I reach home. Leaving 8 hours of sleeping time, I am lucky if I get 2 or 3 hours to watch TV or play with my friends."

The child's revelation is cathartic. Everyone is reminded of their own gruelling schedules. The busy bankers and these underprivileged children, tied together by the pressures on their time. The dam bursts open as both mentor and

mentee recount their experiences of time crunching days along with the negative repercussions.

Mentor and mentee huddle together, talking one-to-one, sharing experiences, thoughts and ideas not as student and teacher but as two equal individuals.

By the end of the session, 12 year old Jatin, 11 year old Asha, 13 year old Sadhana and the rest of the mentees including 10 year old Sakina have learnt an important lesson - time will run short but not the list of things to do in a day. And the best way to deal with scarce time is to optimally manage the day's activities.

Now which school programme can get a bunch of 12 year olds to understand something as complex and vexing as Time Management in two hours flat?

Archanna walks back to her desk with a stronger sense of purpose. She has been instrumental in taking the mentees yet another step closer to their goal of a better, brighter life. Sakina walks out of the HSBC building with a bigger sense of achievement. She realises she has learnt something her non-Akanksha mates never have or ever will. The skills to not just score in the classroom but also in life.



Water of hope

Shashi Kumar sits down exhausted. He was once the lead player of his school football team, but fifteen years has taken its toll. His colleagues Ravikrishna Iyer and Priya Nadkarni are sitting under a mango tree, taking a brief respite. In contrast, the villagers do not seem to notice the heat. The women walk nonchalantly up the steep path, balancing pots of water on their head. Watching their energetic strides it's difficult to believe that 95% of them are anaemic. Of what use are all those hours spent on the treadmill, Shashi wonders.

Fish by Poornima



“Sahib, if you are feeling too tired you can go to my house and rest for some time.” It is Ramdev the village sarpanch.

Shashi jumps up. “I am fine Ramdevji. Let's get back to work. I am fine.”

“Hey guys let's go”, he urges Ravikrishna and Priya, his colleagues from HSBC Fort Branch in Mumbai. They rejoin the twelve men and women from Khairawadi village in plastering the water-tank wall.

Khairawadi, home to around 30 families engaged in rice farming and herding livestock, is in the Raigad district of Maharashtra. Shashi can see the miles of thick verdant vegetation from the village's vantage point on top of the hill. Seeing the green cover of this land, it's difficult to imagine that the people of Khairawadi suffer from an acute water shortage. The women have to trek 3 kilometres down to the village below, through the jungle, for every pot of water. “It's not only the hard work that affects us,” Shashi remembers the sarpanch's wife telling him, “it's also the humiliation. The women in the village below treat us like pariahs just because we are dependent on them for water.” Paucity

of water exacerbates deeply embedded caste issues in Indian villages.

Rather than wait for the benevolence of God or charity of the government, the villagers in Khairawadi have decided to take the matter in their own hands. They have decided to make Khairawadi self sufficient in water.

Shashi can understand the complex enormity of the task that faced the poor villagers. No money. No resources. No know-how. They say, God helps them who help themselves. For the villagers of Khairawadi it came in the form of SHARE and Sister Karuna Mary Braganza of Sophia College Ex-Students Association (SCESA) in Mumbai.

SHARE teaches water conservation and harvesting techniques to the villagers. Re-planting trees above the water sites to raise ground water level. Digging trenches on the hill to direct the flow of water and prevent soil erosion. Cordoning off spring water. While the villagers have the determination and the will, they do not have the resources to convert their dreams into reality.

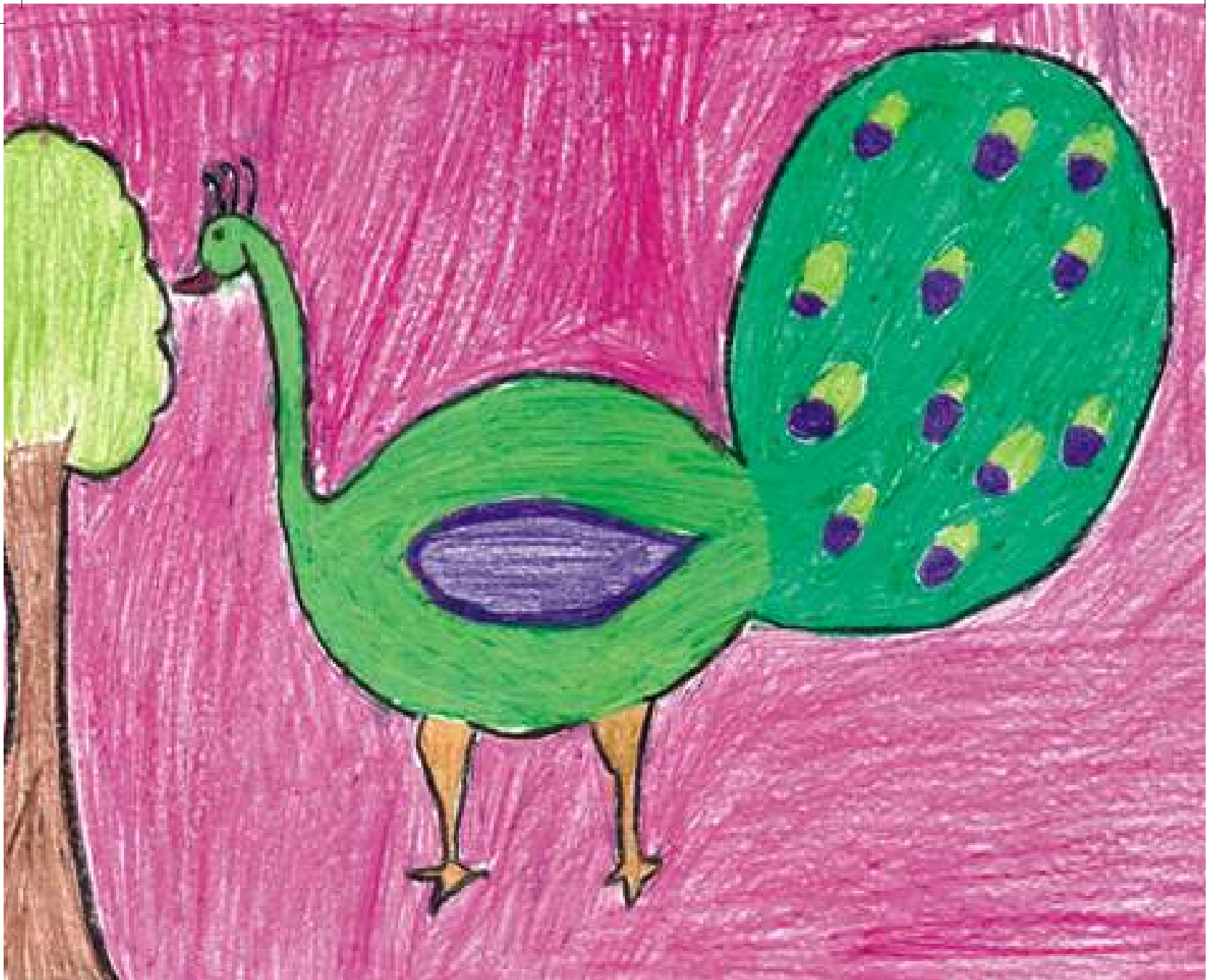
The needs are simple. Bricks, cement, limestone and other building material. When SHARE and SCESA told the story of Khairawadi to HSBC, it immediately pitched in. Today HSBC provides villagers most of the resources they need.

Writing out a cheque is charity, lending a hand is caring. It is this care that has brought these bankers out of the air-conditioned comforts of their offices to this little village.

Tomorrow Shashi and his team must return to Mumbai. The men sit around the fire, talking. Shashi looks up at the clear night sky. He has never seen so many stars in his life. A little girl tugs shyly at his sleeve. Her large kohl-lined eyes reminds Shashi of his daughter back home. She thrusts a piece of paper in his hand and runs off back into the darkness. Shashi unfolds the paper in the light of the fire. It's a drawing of two little girls playing. Written under it are the words ‘Thank You’.

This little girl will not have to trek down to the village below for water.





Peacock by Poornima

Working for the community

Working in the community

HSBC has been an active participant in the communities it operates in. Apart from sponsorships and grants, the personal participation of the HSBC family sets the Bank's CSR initiatives apart. Following are snapshots of a few projects HSBC is involved in.

EDUCATION

Apnalaya

Apnalaya is a Mumbai-based community development organisation. It works in the areas of education, health, training and counselling for youth in India's urban slums. It also runs a training cell that prepares teachers to run 'balwadis' (early childhood education centres) and counsellors for family counselling.



Magic Bus

HSBC supports Magic Bus (Childlink Foundation) to impart non-formal education, to less privileged children 10-14 years, through outdoor sports and excursions.



SOS Children's Villages

HSBC supports the work of SOS Children's Villages in New Delhi, Jaipur and Kochi. SOS India's mission is to provide abandoned and orphaned children with a family, a home, an education and a foundation for an independent life.



Prayas

Prayas works for the care, protection and rehabilitation of neglected street and working children in Delhi, Bihar, Gujarat, Assam and the tsunami affected children in Andaman & Nicobar Islands. Prayas has a vision to restore the neglected and lost childhood of more than 50,000 children through various outreach programmes in the areas of education, shelter, nutrition, health and recreation.



Future Hope

Future Hope, a school and home for street children is run by ex-HSBC manager, Tim Grandage. HSBC has supported Future Hope since its inception. Care, education and a purpose in life has changed the lives of street children from Kolkata. Today, Future Hope is the only street children rugby team in India to participate in national and international tournaments.



Happy Home and School for the Blind

Happy Home Mumbai has perfected the art and technique of bridging the divide between charity and opportunity, between exclusion and acceptance. Since 1925, Happy Home has been working to develop the abilities of blind children. To develop

and nurture their talent, the children are encouraged to express themselves through ceramics, pottery, carpentry, woodwork, mosaic, handloom, weaving, music, mime, drama, yoga, judo and games. HSBC supports an annual pottery and ceramics exhibition staged by the children of Happy Home.



Koshish

On Sunday, 16 October 2005, HSBC employees in New Delhi participated in 'the world's most prestigious international half marathon', the first of its kind in Delhi. 50 HSBC employees ran for



'Koshish', a school for slum children in Sarita Vihar run by the Centre for Cross Cultural Communication, and raised funds.

Jaipur Virasat Foundation

The Jaipur Heritage International Festival was started to sensitise audiences, especially children in Jaipur, to the city's rich heritage, and engage them in its conservation. HSBC supports a series of



programmes, events, projects and activities that focus on art, craft, architecture, social and economic issues.

Bal Vividha

HSBC supports Bal Vividha, an annual festival in Mumbai celebrating alternate approaches to learning. The 2004 theme focussed on 'Living in Harmony with our Environment'. Bal Vividha engages students, teachers and education professionals in questioning the ways that education is imparted, and in discovering methods and processes which make knowledge relevant to learners. It is



organised by Comet Media Foundation in collaboration with groups and individuals committed to alternative approaches to education.

HSBC Education Scholarships

Every year, HSBC awards two scholarships of USD 45,000 each to students admitted for undergraduate or graduate studies at Oxford, Cambridge or London Universities. Chosen through a competitive process benchmarked on personality, knowledge and strength of character, HSBC scholarships aim to hone responsible leaders of tomorrow – a global alumni of committed professionals and citizens.

HSBC also awards four half scholarships of USD 12,500 each to students every year for academic pursuit at the Indian School of Business, Hyderabad.



ENVIRONMENT

Protecting the Olive Ridely Turtle

The Olive Ridley turtle is an extraordinary ancient marine reptile that is now an endangered species. The Orissa coast provides the largest breeding and nesting site for the Olive Ridelys. Irresponsible and illegal trawling on India's eastern shores has resulted in inadvertent trapping and killing of this diminishing species. In order to halt the death toll, the Orissa Forest Department, the Wildlife Protection Society of India (WPSI) and the Wildlife Society of Orissa joined forces in 1998 to initiate 'Operation Kachhapa'. HSBC is supporting this initiative by funding the education programme developed by WPSI for sensitising the local community towards turtle conservation.



Water management in Sariska Tiger Reserve

In association with the Worldwide Fund for Nature India, the Bank is assisting the Sariska Tiger Reserve in Rajasthan in some of its park development initiatives. In addition to the construction of a check dam in the water deficient Core II area of the reserve, HSBC has supported production of bilingual brochures for tourists visiting the park, carved redstone signages along tourist routes within the park and the provision of winter jackets for forest guards.



Popularising environment concern through exhibitions

Support to a photo exhibition by renowned naturalist Sunjoy Monga on the flora and fauna of Mumbai. This multi-venue exhibition draws nature enthusiasts, children and the general public and is a potent mechanism to generate environmental awareness.



HSBC Mumbai Bird Race

HSBC is the first sponsor of a unique concept of Mumbai Bird Race, where groups of birding enthusiasts visit bird habitats in and around Mumbai to prepare a checklist of available avifauna. The bird race is proposed as an annual feature, and will help compile the available bird life in and around Mumbai on an ongoing basis.



Maharashtra Nature Park

Support to a pioneering publication authored by renowned naturalist Sunjoy Monga outlining the success story of the Maharashtra Nature Park at Mahim in Mumbai. Developed on a municipal landfill, the park is an excellent example of how natural ecosystems can restore themselves if given a chance. HSBC employees participated in the book launch ceremony on 5 June 2005, the World Environment Day, and participated actively in learning about the flora, fauna and regeneration efforts at the park.



Takdir the Tiger Cub

An unique experiment in bilingual education for children in the age-group 3 to 6 years, 'Takdir the Tiger Cub' is a book based on real tigers living in Bandhavgarh National Park, written by renowned wildlife conservationists and photographers Latika Nath Rana and Nanda Shumshere Jung Bahadur Rana. It is a bilingual book published in English-Tamil, English-Hindi, English-Malayalam, English-Kannada, English-Telugu, English-Marathi, English-Gujarati and English-Nepali. The proceeds from the sale of the book will be utilised to support nature and conservation projects in Bandhavgarh National Park in Madhya Pradesh.



Earthwatch

Earthwatch is an international environmental organisation that engages people worldwide in scientific field research and education to promote the understanding and action necessary to maintain a sustainable environment. Through the Employee Environmental Fellowship Programme, 1,500 HSBC employees worldwide have so far been offered Fellowship placements to become personally involved in scientific field research around the globe. Over 150



HSBC employees in India have participated in Earthwatch projects around the world. On their return, each Fellow goes on to become an ambassador for conservation both within HSBC and in their own community, and is provided with a grant to set up, or join, a local environmental project. In India, returning HSBC fellows have contributed to community development through projects in watershed management, environment education and afforestation.



Botanical Gardens Conservation International (BGCI)

HSBC has instituted a global partnership with BGCI to help conserve botanical heritage. In India, the HSBC grant has helped the creation of the Indian Botanical Gardens Network, an awareness and interaction forum for conservation botanists. As part of the initiative, a Small Grants Programme helps Indian scientists work on diverse plant ecosystem projects covering: conservation of rare and endangered species of medicinally important plants from Western Ghat Regions of Maharashtra; development of botanical gardens as a centre of education; awareness and conservation of rare, endangered and threatened species of Madhya Pradesh; identification and conservation of rare species of medicinal plants at community level through 'Plants for Future' programme.



HERITAGE & CULTURE

Kala Ghoda Art Festival

The Kala Ghoda Art Festival was started in 1999 by the Kala Ghoda Association, a non-profit organisation. The Festival aims to draw attention to this art and heritage district in Mumbai through a rich array of cultural programmes including film, drama, musical events and culinary experiences. HSBC was amongst the first patrons of the Kala Ghoda Art Festival and has been its principal sponsor since 2001. The Bank also hosts several of the cultural programmes in its banking hall, at the M.G Road branch in Mumbai, during the Festival in February each year.



Banganga Music Festival

In 1992, Banganga was chosen as the site for a musical festival, to raise awareness among the citizens of Mumbai of the need to conserve our heritage and to save it for future generations. HSBC has supported the cause of environmental protection and heritage conservation in Banganga for over a decade and has been a co-sponsor of the Banganga musical festival from its inception.

In 1996, HSBC commissioned a book on the history of the area. Banganga - Sacred Tank was written by Sharada

Dwivedi and Rahul Mehrotra and distributed free of cost to schools, college libraries, architects, the Maharashtra Tourism Development Corporation and the Indian Heritage Society.

David Sassoon Library

Completed in 1870, this Romanesque structure overlooks the heritage precinct of Kala Ghoda in the Fort area of Mumbai. It shares its yellow Malad stone facade with the neighbouring heritage buildings like the Elphinstone College, Army and Navy Building and Watson's Hotel.

The Bank has supported the research for the second phase of restoration work planned by this library.



Elphinstone College

The Elphinstone College building is amongst the finest Victorian structures in India. With an imposing facade and skyline, it is among the select list of Grade I Heritage buildings in the city, meriting careful restoration and preservation of its historic fabric. HSBC was the first corporate to contribute to a fund raising effort to restore and repair the Elphinstone College building in Mumbai. The Bank has also sponsored the illumination project for the college.



Public Gardens & Traffic Islands

HSBC has supported the maintenance of several green clusters in various cities. These parks, gardens and traffic islands serve the dual purpose of enhancing the aesthetics and improving the urban environment.



COMMUNITY EVENTS

Action Players, Kolkata

The Action Players is India's first drama company of hearing impaired artists. On 26 September 2005, HSBC invited its select customers for an Action Players show sponsored by the Bank. Plans are afoot to continue sponsoring this inspiring show, and invite the less-privileged children of the city for the next performance.



ContraPosition, Mumbai

HSBC in association with the Astad Deboo Foundation presented ContraPosition, a dance ballet with deaf students from the Clarke School for the Deaf, Chennai, at HSBC Mumbai banking hall, on 25 September 2005.

Astad Deboo is India's foremost contemporary dancer and choreographer, who has won acclaim in India and abroad for his unique dance style and his work with the deaf community. In ContraPosition, Astad Deboo has explored the navrasas, the nine emotions, through the expression of dance.



HSBC Indo-British Awards

The HSBC Indo-British Award was established in 1997 to commemorate 50 years of India's Independence. The award was constituted to recognise the role played by an Indian or British individual, company or organisation instrumental in promoting trade and business relations between India and the UK and alternated each time between an Indian and British recipient. In its year of inception, Her Majesty Queen Elizabeth II gave the award to Shekhar Dutta, past President of the Confederation of Indian Industry (CII). Past winners include Unilever plc; Mr. Venu Srinivasan, Chairman and Managing Director, TVS-Suzuki Limited and Managing Director, Sundaram Clayton Limited; Mr. Akhil Paul, Director of the Indian operations of British NGO, Sense International; and Sir Mark Tully, journalist and broadcaster.

In 2003, to commemorate HSBC's completion of 150 years in India, the scope of the award was broadened to also recognise outstanding contributions to the community. A second award was constituted that year to recognise the furtherance of Indo-British cultural crossovers through literary and artistic achievements.

The HSBC Group envisions the future of Indo-British relations extending beyond business and trade to encompass several areas of mutual interest including the arts, literature, cinema, the environment and education. The HSBC Indo-British Awards are a reaffirmation of HSBC's commitment to both India and the UK and to furthering greater understanding and relations between these two great nations.



The winners in 2005 are Vikram Seth, renowned author and Tim Grandage, founder of Future Hope, the school and home for street children in Kolkata.

Helping Hands Mela

Helping Hands Mela is an annual event that brings NGOs from across the country to HSBC locations to display arts and crafts products designed by underprivileged communities. The mela is an unique opportunity for NGOs to communicate their work to customers and general public. All sales proceeds support charitable causes in various communities. In 2005, the 5th year of the event, over 75 NGOs participated in the Mela held in HSBC premises in 21 cities.



DISASTER RELIEF & REHABILITATION

Gujarat Earthquake

Short-term Projects

- Sadhu Vaswani Mission: Vocational rehabilitation projects were instituted in the towns of Kandla, Gandhidham and Adipur in Kutch.
- Bochasanwasi Shri Akshar Purushottam Swaminarayan Sanstha (BAPS): Immediate relief supplies were provided to victims.
- Dignity Foundation: A trauma relief project ensured that immediate assistance was extended to senior citizens ravaged by the loss of loved ones, homes and livelihood.
- Sneh Samudaya: Interim shelters were provided to affected communities in Kutch

Long term projects

- Gijubhai Bal Academy: HSBC has established an education training resource centre in Patadi, Surendranagar District, Gujarat. This training centre helps re-institute educational services for districts affected by the earthquake. Named the Gijubhai Bal Academy, HSBC Campus, Patadi, the centre is run by Ganatar a voluntary organisation actively working for child rights, focussing on the fundamental right to education and eradication of child labour.
- Sneh Samudaya: A Livelihood Restoration Programme which aims to help the weaver community in Bhuj to reconstruct their work-sheds, set up their supply chain in terms of sourcing raw materials for weaving, and



Tsunami is coming by Prasad

marketing their products to wholesalers. Through Action Aid's Sneh Samudaya programme, interim shelters were provided to affected communities in Kutch.

- Shree Bhojay Sarvodaya Trust: A community kitchen was established as part of a programme to provide permanent shelter for the destitute and widows in Kutch.



- Veerayatan: A computer centre and a tailoring training centre was set up for earthquake victims in Kutch.

Tsunami Rebuild Programme

Short term Projects

- HSBC employees contacted International Red Cross Society offices in India and provided relief material: food, clothing and daily use items.
- A golf demonstration clinic was conducted in Mumbai by famous golfer Colin Montgomerie. A charity dinner organised in conjunction with this clinic auctioned golfing gear to raise funds for victims of the tsunami tragedy.

- The HSBC Tsunami Rebuild Golf Tournament was held in New Delhi in March 2005. Participating corporates donated funds to organisations working in tsunami-affected areas.
- HSBC employees contributed funds to the Prime Minister's National Relief Fund through their January 2005 salaries.
- HSBC Securities and Capital Markets India donated a day's trading commission to Habitat for Humanity International.

Long term Projects

Rs 30 million has been raised for tsunami rehabilitation projects to be implemented by reputed organisations:

- Rotary Club of Madras: Livelihood Restoration through provision of fishing boats, outboard motors and fishing nets in Sulerikattukuppam village near Chennai.
- Isha Foundation : Deployment of mobile health vans that tour villages and provide healthcare advice and treatment.
- Habitat for Humanity International : Building 30 houses and a Habitat Building and Technology Centre (HBTC) in Cuddalore district, Tamil Nadu. HSBC employee teams will participate through their volunteer time to construct houses in a special Executive Build Programme.
- Round Table India : Repair and reconstruction of four schools in Kanchipuram district in Tamil Nadu. HSBC Holdings plc, UK, has also provided a grant to Round Table India

Trust for rebuilding ten schools in Villupuram and Cuddalore districts of Tamil Nadu.

- SOS Children's Villages: Construction of children's village in the Andaman and Nicobar Islands.
- World Vision: Local microenterprise rehabilitation.
- Plan India: Rehabilitation of children in P R Puram village in Nagapattinam district of Tamil Nadu.
- Reefwatch: Reef ecosystem impact assessment in the Andaman and Nicobar Islands.

Mumbai Marathon

Over 75 employees participated in the Corporate Challenge of the Mumbai Marathon on 16 January 2005 and raised funds through pledges for communities affected by the Tsunami tragedy in South India. HSBC matched employee collections and the total proceeds were donated to the Give India Tsunami Rehabilitation Fund.



Mumbai Floods

On 26 July 2005, Mumbai witnessed one of its worst calamities ever, caused by torrential rains and flooding across the city as well as in adjoining satellite townships and rural areas of Maharashtra. Hundreds of people lost their lives; many people have been rendered homeless and have had to bear huge financial losses.

HSBC took the following steps to provide help to affected communities:

- Donated funds to charities working in some of the worst affected areas. These are Apnalaya, Aarambh, Magic Bus in Mumbai and SHARE, Indian Red Cross Society, in rural Maharashtra.



- Employees across Mumbai offices contributed generously relief material such as bed sheets, clothes, towels, and utensils to Indian Red Cross Society, Concern India and SUPPORT in Mumbai and SHARE in Raigad district.
- Employees in Mumbai volunteered their time and effort to help NGOs in Mumbai by participating in the distribution of dry ration and clothes to the victims and also rendering help at a medical camp.
- Financial assistance to employees who were affected by the floods.



Two Swans by Appu

In the business of social responsibility

Today, being a responsible corporate citizen is not just an altruistic endeavour. It is at the core of business. Billions of people across the world, are languishing in poverty and debt. We believe that given the right opportunity at the right time, these people too can contribute to the larger community. Following are two projects that illustrate this fact.

MICROFINANCE

Working to enhance economic prosperity of communities

Over 260 million people live in poverty in India. They require financial services as much as anyone else. They need to save and borrow to start or run a small enterprise, build or repair dwellings and meet expenses relating to marriage, death or illness. However, the informal sector providing these services to the poor is both expensive and risky. Poor communities are forced to borrow from moneylenders, traders and landowners who charge exploitative interest rates and also force villagers into bonded labour, charge higher price for goods purchased and pay low prices for their produce. Their limited numerical literacy, inability to provide collateral along with the immediate pressing demand for credit makes them completely dependent on the moneylenders.

Microfinance provides very poor households with small loans (microcredit), thrift and insurance services. It helps them to run their businesses, build assets, stabilise consumption, and shield themselves against risks. Microfinance caters to the latent need of the poor to access a variety of financial products that they would not have otherwise accessed through the traditional banking channels.



Microfinance has demonstrated across the world that the poor are credit worthy and it is a sound business opportunity for commercial banks. It is a tool through which the poor can break out of the vicious circle of poverty.

The estimated current demand of microcredit in India is Rs. 500 billion. However, less than 20% of rural populations have a bank account; against a total of over 600,000 villages there are very few bank branches and while products such as health insurance are completely inaccessible to the poor, even the most basic life and accident insurance products remain out of reach.

HSBC India has commenced its microfinance operations in 2004-05 and is one of the three countries in the HSBC Group to pilot microfinance. Our work strategises around growing microfinance institutions (MFIs) through innovative lending mechanisms and capacity building support. HSBC has presently invested Rs.240 million in four MFIs, with the first loan disbursed in April 2005.

HSBC works with:

- SKS India, Hyderabad: Rs 35 million disbursed to benefit 9,000 rural poor families in southern India state of Andhra Pradesh.



- SHARE Microfin Limited, Hyderabad: Rs 100 million disbursed to benefit 20,000 rural poor families in southern India state of Andhra Pradesh.
- Teen Channel (CAP Trust), Hyderabad: Rs.5 million sanctioned to help youth from low-income communities in urban Hyderabad access mainstream job market by microfinancing their vocational training. HSBC is also helping CAP Trust through a capacity building grant to expand their operations and footprint.
- Spandana Sphoorthy, Guntur: Rs.100 million sanctioned to benefit 15,000 rural poor families in southern Indian state of Andhra Pradesh.

Other initiatives

- The Mann Deshi Mahila Sahakari Bank Limited, Satara: HSBC is partnering with an all-woman cooperative bank, winner of the Ashoka Changemakers Innovation Award for 2005 to improve the economic well-being of women in poor communities in rural Maharashtra.
- SHARE (Society to Heal, Aid, Restore and Educate), Raigad: A grant from HSBC is helping SHARE to start self-help groups in villages of Raigad district, Maharashtra, to economically empower women in poor communities.



EQUIP

Reaching out to the bottom of the pyramid

Realising the need to expand microfinance outreach to underserved communities and geographies, HSBC is presently piloting initiatives to support a large number of small MFIs through small loans and intensive capacity building inputs, thus paving the way for their transformation into a larger MFI that can access markets for funding.



Across India in urban towns, an increasingly visible phenomenon is the effort made by low-income families to send their children to school. India's poor want their children to be educated and they are willing to pay for it. Private schools offer a unique opportunity for such students who otherwise are at the mercy of often ill-equipped government schools. High teacher absenteeism in government schools versus near total teacher presence in private schools is one of the factors that attract children towards such schools.

Loans to low-income schools for improving their educational infrastructure and pedagogy are an area of opportunity and one in which HSBC is participating through a pilot programme called EQUIP (Enabling Quality Improvement Programme in Schools). This partnership between HSBC, Centre for British Teachers (CfBT) UK and HSBC Education Trust UK, aims to revitalise schooling in urban community-based schools. While HSBC manages the financial processes for EQUIP, CfBT ensures proper utilisation of the loan and helps the borrowing school improve its environment and teaching-learning techniques. HSBC Education Trust not



only supports CfBT operations in India, but also provides a grant to schools who successfully repay the loan and install proper education improvement systems in the school.

EQUIP was launched in Hyderabad and Chennai in November 2004. Fifty schools will be part of the pilot project by end 2006.





Aeroplane by Rohit

The larger picture

Social responsibility is the thread that binds each and every member of the HSBC family, across the country. It is this commitment that drives HSBC to go that extra mile, wherever and whenever a helping hand is needed.

HSBC Group Companies in India and CSR

HSBC Group companies in India uphold HSBC's commitment to education and environment and support a range of projects locally through employee involvement. We mention here some of the projects:

HSBC Global Resourcing in India (HDPI)

HDPI focuses on CSR activities through Community Committees in Hyderabad, Bangalore and Visakhapatnam. These committees have been formed to initiate, guide and channel employee engagement for the purpose of contributing to economic development while improving the quality of life of local communities.

Education

Hyderabad

- **Madhapur Mandal School:** HDPI Hyderabad Community Committee has adopted the Madhapur Mandal School, a government school for underprivileged children. This school currently supports the education of 400 children from the underprivileged class of the Madhapur village residents and the workers engaged in the nearby construction



work. HDPI has organised fund raising events for building classrooms till Class X, computer laboratory, library, staff room and play area plus necessary support like regular water supply, electricity and free mid-day meals for children.

- **Prema Seva Sadan:** An orphanage for girls aged 3 to 17 years.
- **Divya Disha:** A voluntary organisation dealing with street children and orphans along with the Ministry of Child and Women Welfare of Andhra Pradesh Government.
- **Phoolbagh Government School:** Located on the outskirts of Hyderabad, the Phoolbagh Government School caters to 300 underprivileged children aged 5-10 years. The School Project was left incomplete due to lack of funds and in 2002, HDPI Hyderabad was invited by Governor of Andhra Pradesh to partner in the completion of the school project. HDPI Hyderabad has since actively supported the school by providing help with infrastructure, teaching aids, celebrating Children's Day, as well as rewarding meritorious students in each class.
- **CARE Foundation:** Support to Little Hearts Project launched by the CARE Foundation and CARE Hospitals, Hyderabad, aimed at providing treatment to needy children suffering from critical heart ailments. 872 employees from Hyderabad took part in the Walkathon 2004 to help raise funds towards heart surgeries for underprivileged children in Andhra Pradesh. HDPI doubled the amount contributed by the employees, to



sponsor the treatment of 34 needy children.

Bangalore

- **Bethany High School:** Caters to children from all backgrounds, encouraging children to build a society based on fraternity and mutual dependence.
- **Pratham:** Reaches out to child labourers, children on the pavement and those in remand homes.
- **Samarthan Trust:** Helps in upliftment of physically challenged. HDPI employees volunteer to help Samarthan conduct their Annual Sports Day.

Visakhapatnam

- **The Govt. Residential School for Visually Challenged Girls:** Funds raised through various initiatives have helped in the renovation of the old school building. For the past year, employees have been closely interacting with the children of the school and showing their support in various ways. Recognising the special need of these children to discover the wonders of the animal world, the HDPI Community Committee has fabricated fiberglass animals and has



installed them in the school. To help the children relax in natural surroundings, aesthetic garden shelters have also been constructed.

Disaster Relief

- **Tsunami Relief:** In their endeavour to help rebuild the lives of those affected, the community and social teams at all HDPI locations launched a drive to collect donations from staff and families and raised funds, which were supplemented by matching contributions from HDPI.

Other Community Activities

- **Blood Donation Camps:** Community Committees across HDPI regularly organise staff blood donation camps, which supports the ongoing efforts of various blood banks in their cities.
- **SOS Children's Villages:** Community Committees across HDPI regularly support SOS Villages in their locations and actively evaluate opportunities to provide continuous support.
- **Mukti:** HDPI Bangalore, took the initiative to organise sale of calendars created by Mukti - a charitable organisation where light weight artificial limbs and calipers are custom fabricated and provided to

amputees and polio victims, free of charge.

Environment

- **Earthwatch:** HDPI employees participate in Earthwatch Environmental Fellowships to work on nature conservation projects worldwide
- **Tree planting campaign:** World Environment Day is marked in each HDPI location with a Tree Planting Day. Employees also regularly volunteer for cleanliness drives and internal campaigns for energy conservation and reduction of environmental waste.
- **Adoption of White Tiger:** Employees of HDPI Bangalore have joined hands with Bannerghatta National Park to adopt a family of rare and endangered Bengal White Tigers.

HSBC Global Technology Centre (GLT)

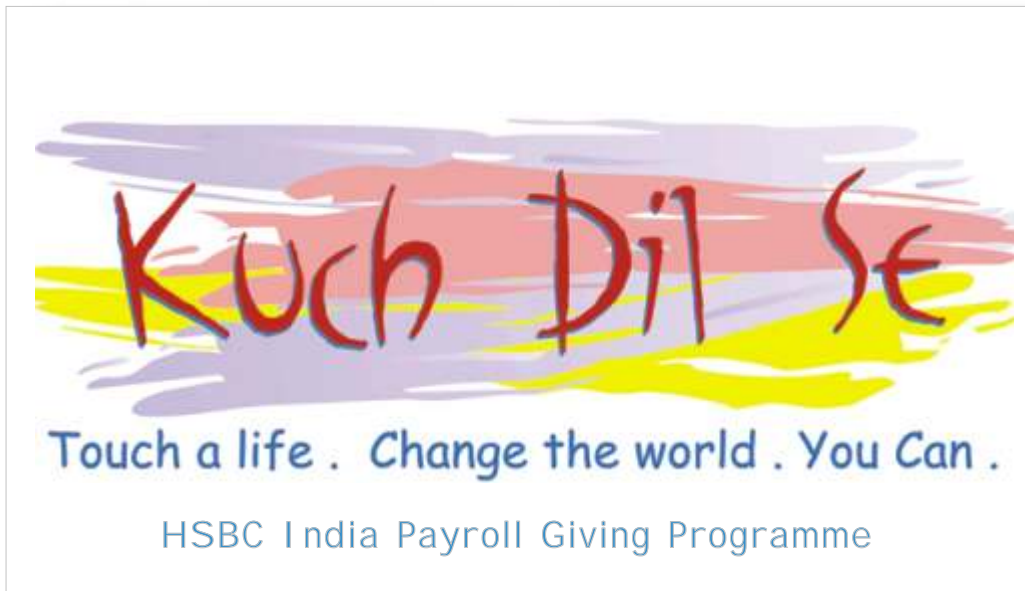
- GLT has sponsored a computer-based Learning Centre at an orphanage located close to the Centre. Staff members from GLT volunteer their personal time to teach orphans at the orphanage. They conduct story telling, craft and painting sessions with children in the age group of 3 - 10 years.
- GLT has also provided employment opportunities to physically challenged individuals.
- The Centre is also actively engaged in supporting environment related initiatives within the local community.

- Blood Donation camps are organised every year.
- GLT had invited destitute children from Maher, an NGO, for their very first public performance at the Town Hall of the organisation. Every first Friday of the month, Maher is invited on the company premises, to sell various products that they manufacture.
- Regular tree plantations are undertaken in villages close to Pune.
- GLT extended their support to Kalyani Nagar Residents Association in Pune (where the GLT premises are located) to publish their local telephone directory.
- GLT employees contributed funds for HSBC Tsunami Rehabilitation Projects.

HSBC Securities and Capital Markets India (HSCI)

HSCI, for the past two years, has been donating one day's earnings from its broking business to support the local community. Their collections have been donated to charitable institutions such as Mobile Creches, SUPPORT, NGOs involved in non-formal education for less privileged children, disaster relief and rehabilitation projects during Gujarat earthquake and the tsunami tragedy.





New Initiatives & Future Plans

NEW INITIATIVES

Payroll Giving

Payroll Giving is an effective way for employees to contribute to charity through small donations, which are deducted from their monthly salaries. HSBC launched its maiden payroll giving programme “Kuch Dil Se” on 26 October 2005 in association with Give Foundation. Within a week of the launch, HSBC employees have collectively contributed Rs 30,000 for the month of November 2005. HSBC will match this amount and Give Foundation will provide detailed report on utilisation of these funds by NGOs for various community activities.

Mentor Programme

HSBC Mumbai has launched a pilot

mentor programme with Akanksha Foundation. Employees from HSBC MG Road Office in Mumbai have initiated the process of weekly mentoring for underprivileged children. With topics ranging from help in studies to personality development, the programme is slated to grow in strength with more employees joining on an ongoing basis.

Global Survey on Street Children

Children in various underprivileged situations and the need to work for improving their quality of life is a worldwide phenomenon. Specifically, children on the street and in various abusive environments are the most marginalised in many countries. With a view to assess the status of work with street children and schools serving low-income populations across countries with HSBC operations, HSBC India conducted a survey in May-June 2005. The findings

of this survey will suggest a route map for discussion and implementation on issues facing street children and schooling for poor children across countries where HSBC has a presence in order to arrive at possible interventions, strategies and programmes.

HSBC Financial Literacy Programme

The HSBC Education Trust and the Corporate, Investment Banking and Markets division of HSBC (“CIBM”) have launched in March 2005 a programme with Students In Free Enterprise (“SIFE”) to encourage financial literacy with an emphasis on young people and women entrepreneurs. Students In Free Enterprise (SIFE) is a global non-profit organisation active in more than 40 countries. It is the world's largest collegiate organisation devoted to economic and enterprise education. SIFE mobilises university students to create economic opportunity for others while discovering their own potential. In 2004, more than four million people were impacted by SIFE projects worldwide.

Through this partnership, CIBM and the HSBC Education Trust incentivise SIFE's university students to develop community



projects that provide financial literacy education to young people, aged 16-25, and encourage women to develop financial independence through entrepreneurship. HSBC and SIFE are committed to providing resources and support to participating university students and their communities as part of this initiative.

Individual grants were distributed to several hundred SIFE entities in 28 countries to fund student-led financial literacy projects. From the most successful projects, 100 participating students were selected to represent their



universities and countries and share their knowledge at the HSBC Financial Literacy Forum in Toronto, Canada in October 2005. Wellingkar Institute of Management Studies and K G Somaiya College from Mumbai represented India at the Toronto Forum.

As a practical result of this programme, students and individuals within their local communities gain a firm grasp of credit and money management principles. With this knowledge, they are able to make informed, confident decisions and have the tools they need to achieve prosperity.

SIFE India Programme

In India, 37 colleges participated in SIFE national competition in June 2005 and 8 senior employees from HSBC CIBM team participated as judges in the national competition. HSBC facilitation for SIFE in India will cover:

- Student work on Microfinance projects.
- Student work on financial literacy with NGOs supported by HSBC in India.
- Development of communication material to enhance outreach and impact amongst students for the programme.
- Participation in SIFE India Board to steer the India programme.
- Participation in Business Advisory Boards which students will refer to during their project work on financial literacy projects.



FUTURE PLANS

HIV/AIDS at the Workplace

The menace of HIV/AIDS affects all and is not limited to marginalised communities. With a view to enhancing awareness amongst employees on HIV/AIDS, we have planned a communication campaign, employee discussions and sessions by leading experts in the field.

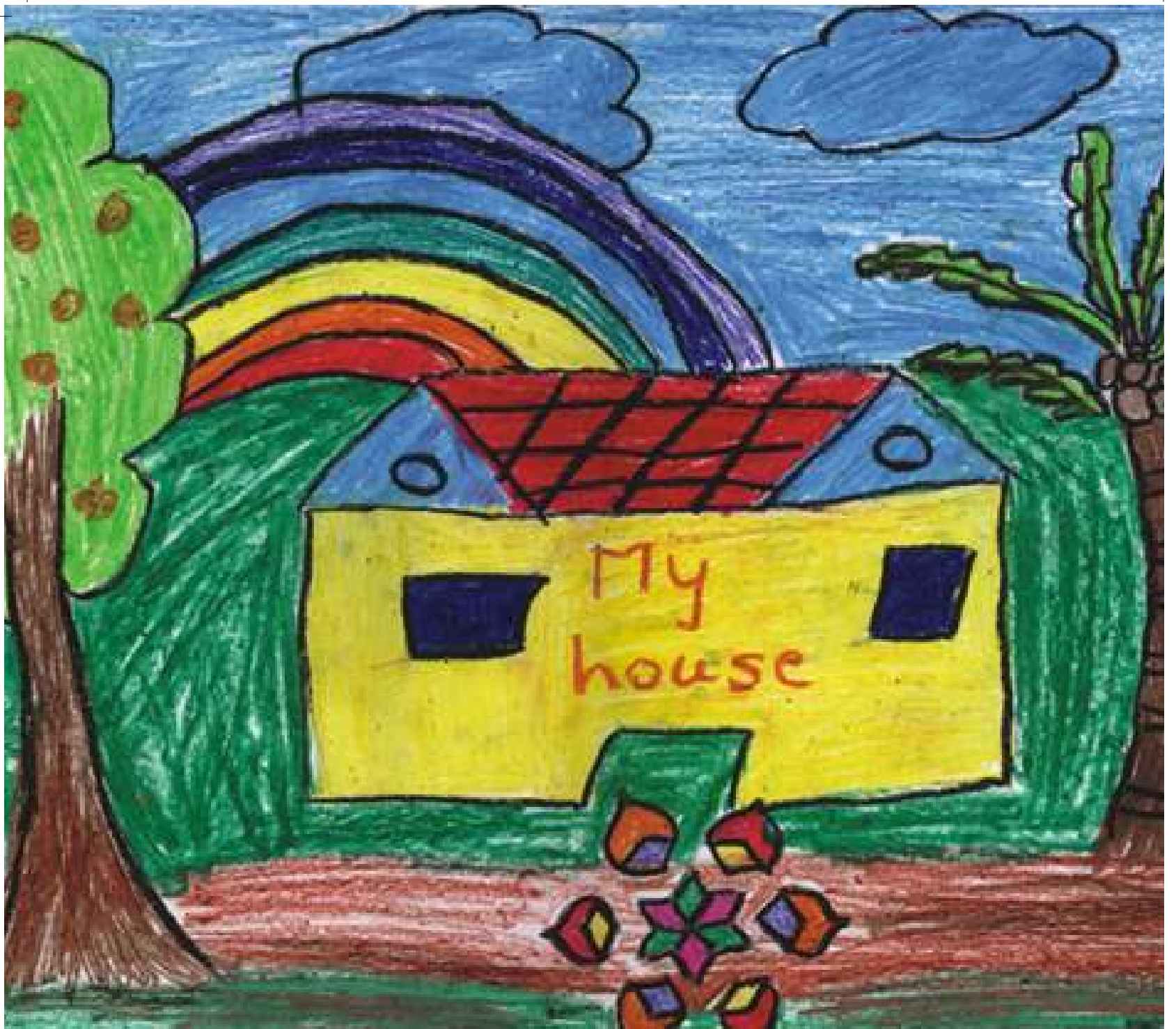
Employee CSR Champions

HSBC employees play an important role in the success of the bank's community programmes. We plan to create detailed CSR learning modules for employees in order to enhance their social and environmental understanding. These employees will act as HSBC's local CSR champions at branches and lead local community initiatives.

Microfinance

HSBC will continue to innovate in the microfinance space by working with a range of small to medium organisations and commence a systematic process of measuring social impact.





Rainbow by Vrukshali

From the heart

There's a long list of people who have contributed their time, money and energy in making HSBC's CSR initiatives a success. A few points of view from some of the people who have partnered us in this amazing journey.



Sukhdev Patel, GANATAR

“Our relationship with HSBC is like the rainbow. It’s only when moisture in the atmosphere is exposed to the sunrays, that the beautiful rainbow is formed. Similarly, it was only with the valuable support received from HSBC, that we were able to add colour and joy in the lives of the children of salt pan workers at the Rann of Kutch in Gujarat, India.”



Annabelle Mehta, APNALAYA

“HSBC the ‘thoughtful bank’, takes their commitment to Corporate Social Responsibility seriously. For example, when the floods hit Mumbai, Apnalaya sent out a general SMS appeal for flood relief work in the slums where we work. The first to respond within hours was a senior bank representative who came to my house with an envelope of cash from HSBC, as they knew we would have

difficulty in getting cash as the banks were not functioning.

Now that's a thoughtful bank.”



Sunjoy Monga, Naturalist, Writer and Photographer

“Long before many corporates had even woken up to the realisation of their responsibility towards community good, HSBC has time and again, through a meaningful partnership with private citizens and NGOs, demonstrated how it has integrated corporate social responsibility, with an emphasis on good environment and education for societal good, as part of its guiding principle and philosophy. HSBC's crucial support for several causes over the years have made

tremendous contributions towards enhancing support for a better understanding of our environment. ”



Nicola Monteiro, SHARE (Society to Heal, Aid, Restore and Educate)

“ Caring for the environment and promoting education are social investments that will make the world a better place for the next generation. HSBC's focus is in the right direction.

I have always found HSBC employees to be sensitive and committed to the causes they stand for. They never complain about the discomforts they experience while working on projects at the grass root level.”



Pond by Ganesh



Praveen Chandna, Branch Manager, HSBC JAIPUR

“I strongly believe that our CSR initiatives are genuine efforts to make this world a better place to live for everybody. All such efforts are reflected in the projects we support. It is our small but sustainable way of giving back to the society.”



Royston Braganza, Head, Small and Medium Enterprises, HSBC MUMBAI

“I have always believed banking is about the 3 Rs - Risk, Reward and Respect. Be it in the products, services or solutions we offer, the three have to go hand in hand if we have to continually deliver value to our customers. In HSBC, we have been able to integrate the CSR dimension seamlessly with the commercial dimension; for e.g. in the microfinance

business that we have launched under SME, we have approached our partners as commercially sustainable and viable entities - which they have appreciated - as opposed to the grant model followed by many other providers. I am very excited at the strong integration of CSR with business, both professionally - as we build sustainable businesses - and personally, with my commitments on Earthwatch and the mentoring programme for street children.”



Devarajan Iyer, Executive Development Manager, HSBC MUMBAI, on his experience of volunteering during Mumbai floods

“Magic Bus and CHIP (Children in Pain) came together and coordinated a Medical Camp at a local municipal school. The main objective of the medical camp was to conduct a routine medical check up for the children of nearby areas, affected adversely by the heavy downpour on 26 - 27 July 2005 and suggest remedial measures as per need. Initial awareness had been created through a group of local community volunteers, which was very useful in ensuring a turnout of nearly 375+ children and some adults. It was an initial challenge for us to manage the increasing number of children in the

queue, with the showers and narrow passage not being very helpful, and medicines running out of stock at certain counters. But with consistent movement of people and medicine across counters, we had things very much in control by early noon. The requests from children to handle some pushers and gatecrashers and the great smiles on their faces, when their little requests in handling the bullies were managed, was itself very fulfilling, taking us back down memory lane when we had also faced similar issues. In some cases it was sad to see that children had to take as much 5-6 tablets and that too at one go. All in all, the time spent with the Magic Bus and CHIP team in creating the setting and then assisting in managing the logistics of distribution provided a lot of satisfaction. The element of trust placed by the children itself makes one more responsible and rise up to the occasion.”



Tennis by Prasad

Carrying the flame

“What are you celebrating? Holi? Diwali? Or Christmas?”

The customer's confusion is understandable. The HSBC branch at Nagpur is awash with designs and symbols of different festivals.

“Actually sir, we are celebrating the Helping Hands Mela. It's a festival to help the less privileged,” replies Manjula Singh, Assistant Manager at HSBC Nagpur.

“But why symbols from different festivals?”

“Sir, we believe that helping the less privileged is an act of worship. We want this festival, like all other festivals, to bring joy and happiness into their lives.”

HSBC Nagpur epitomises the spirit of social responsibility that permeates across, and down, the entire HSBC family. This is their story.

It's less than a year ago that HSBC opened its branch in Nagpur. The young team is working hard to establish the standards and values that makes HSBC the preferred banking partner. It is in this new frontier that team HSBC has to establish a relationship with the denizens of Nagpur.

The conventional method is to unleash an advertising blitzkrieg to build brand equity. HSBC Nagpur decides to take a different road.

That road is the Helping Hands Mela 2005. An exhibition of products and artifacts made by underprivileged communities and NGOs.

Everybody pitches in. The artistically inclined roll up their sleeves and decorate

the premises with colourful cloth streamers and cutouts. Others go around soliciting support from local shopping malls and other city landmarks to put up banners to announce this initiative. The rest pitch in to liaise with the six NGOs participating in this Mela and organise the logistics of this week-long event.

On the morning of 17 October 2005, it all comes together. Mrs. Yasmin Patel, known for her work with blind children, inaugurates Helping Hands Mela 2005. Over the next six days, hundreds of people come in, not just to buy the beautiful products being sold at the branch, but also to pledge their long-term support to their causes. This unique gathering is not lost on the media. Local press and television channels pick up this story and beam it across the city. HSBC has captured the heart of Nagpur.

The newest member of the HSBC family has picked up the baton.







HSBC 
The world's local bank

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*Front Cover: School by Sanjay
Back Cover: Flower by Swapnil*