

# **PROJECT CLEAN AIR CHARTER PHASE II**

**Certification Scheme for Clean Air Charter**

**Final Report**

**For**

**Standard Chartered Bank (Hong Kong) Limited**



**Prepared by**



**November 2008**

## 1. INTRODUCTION

Standard Chartered ("The Bank") incorporated its Hong Kong business on 1 July 2004 and now operates as a licensed bank in Hong Kong under the name of Standard Chartered Bank (Hong Kong) Limited, a wholly owned subsidiary of Standard Chartered PLC. The Bank has a network of over 70 branches and offices in Hong Kong and operates under two main business divisions, namely consumer banking and wholesale banking.

The site visit was conducted at one of the offices located at 21/F Standard Chartered Tower, 388 Kwun Tong Road, Kowloon. The Bank delivers the environmental targets and monitors the overall impacts on the environment through Global Environmental Management System (GEMS). On the regional level, head of corporate real estate services chairs the Environment Committee which is comprised of different departmental heads to provide strategic direction on enhancing environmental awareness and implement environmental programmes throughout the whole company.

This report outlines the findings of the Business Environment Council (BEC) from a walk through audit and interview with representatives from Standard Chartered Bank (HK) Limited, Ms Mandy Ching, Senior Facility Officer and Mr Chris Wu, Senior Facility Officer.

From the pre-audit questionnaire completed by the Bank, it was determined that the Bank fits into Group C category of the certification scheme, showing that the organization has comprehensive management systems and means in place to identify and verify the implementation of energy efficiency / emission reduction programmes that are in compliance with the Clean Air Charter.

The audit visit was led by Mr Benny Au and Ms Dorothy Lam on 4<sup>th</sup> September 2008. The purpose of this audit was to report the Bank's implementation of the Clean Air Charter observed during the site walk and the subsequent material submitted for demonstration purpose.

## 2. OBSERVATIONS AND COMPLIANCE

Based on the site meeting, the Bank's programmes and practices on reducing air emission were reviewed. In general, a systematic structure on addressing the Clean Air Charter has been implemented with the followings:

- The Bank is committed to minimize environmental impact across all areas of business operations by integrating environmental and sustainable development criteria into lending decisions and financing renewable energy projects and clean technologies.
- Operational impact targets are established to address climate change and achieve reduction in CO<sub>2</sub> emission.
- In order to deliver the targets and monitor the overall impacts on the environment, a comprehensive review and update of the Global Environmental Management System (GEMS) have been undertaken.
- Country Environment Committee is established with Head of Corporate Real Estate Services (HK) as the chairman addressing environmental issues.
- The Group Health Safety & Environment team works closely with Health Safety & Environment Coordinators (HK) to develop health safety & environment policy and guidance and to conduct environmental audits and building inspections.
- Environmental objectives and targets are determined with action programmes decided by the environmental committee.
- Carbon Management Plan is adopted to calculate the carbon footprint from construction materials and activities on site and the personnel travels and freight. The Bank has achieved 90% rating with Carbon Disclosure Project.

Regarding the six commitments of the Clean Air Charter, the table below summarizing the achievements of Standard Chartered Bank (Hong Kong) Limited:

Commitment	Action done
1) Operate to a recognized world class standard, or the standards established by the Hong Kong / Guangdong governments on emissions of air pollutants, even if it is not a requirement to do so here. (Relevant to industrial operations, power plants and business with direct emissions)	<ul style="list-style-type: none"> <li>◆ In view of the core business operations of the Bank, there is no major direct air emission generated. Most of the air emission would be indirect (energy consumption), hence this commitment has limited applicability to the Bank.</li> <li>◆ Two premises of the Bank have been certified with Indoor Air Quality Certificate (Good Class).</li> </ul>
2) Use continuous emissions monitors (CEMs) at significant sources, e.g. large and medium plants. (Relevant to large / medium industrial operations and power plants)	<ul style="list-style-type: none"> <li>◆ This commitment is for industrial or power plants, hence not applicable to the Bank. Nevertheless, other direct emissions including emissions from boilers are monitored by Health Safety &amp; Environment team which review and establishes Action Plan annually.</li> <li>◆ Energy Management Plan is established with</li> </ul>

Commitment	Action done												
	<p>implementation of different activities aimed at reviewing the energy performance of the premises.</p> <ul style="list-style-type: none"> <li>◆ Energy Consumption Report is produced on monthly basis to monitor the consumption by conducting energy audits and building inspection regularly.</li> </ul>												
<p>3) Publish information on energy and fuel use, as well as total emissions of air pollutants annually and timely, if emissions are significant.</p>	<ul style="list-style-type: none"> <li>◆ The Bank issues Monthly Sustainability Roundup to all staff by broadcasting email and Greenstorming , an interactive website for employees, is also available in the Bank's intranet, to keep employees informed of the Bank's environmental strategy, policy and activities.</li> <li>◆ Annual Sustainability Review (formerly named Environmental Report) is published annually since 2001 to communicate the Bank's environmental vision and strategy as well as environmental goals and achievement with stakeholders through media events, press releases and website.</li> <li>◆ The Bank also reports on Sustainable Lending and Equator Principles transactions.</li> <li>◆ The Bank closely monitors energy consumption &amp; CO<sub>2</sub> emission and air travel emissions.</li> </ul> <p>Data comparison between 2006 and 2007 are summarized:</p> <table border="1" data-bbox="703 1272 1417 1585"> <thead> <tr> <th data-bbox="703 1272 1098 1339"><i>FTE: Full Time Employee</i></th> <th data-bbox="1098 1272 1262 1339"><b>2006</b></th> <th data-bbox="1262 1272 1417 1339"><b>2007</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="703 1339 1098 1417">Total Energy Consumption (kWh / m<sup>2</sup> / year)</td> <td data-bbox="1098 1339 1262 1417">379</td> <td data-bbox="1262 1339 1417 1417">335</td> </tr> <tr> <td data-bbox="703 1417 1098 1496">Total CO<sub>2</sub> emission (tones CO<sub>2</sub> / FTE / year)</td> <td data-bbox="1098 1417 1262 1496">4.46</td> <td data-bbox="1262 1417 1417 1496">3.37</td> </tr> <tr> <td data-bbox="703 1496 1098 1585">Total Air Travel Emission (tones CO<sub>2</sub> / FTE)</td> <td data-bbox="1098 1496 1262 1585">0.97</td> <td data-bbox="1262 1496 1417 1585">0.79</td> </tr> </tbody> </table> <p>CO<sub>2</sub> emissions (Scope 1&amp;2) and CO<sub>2</sub> air travel emissions are decreased by 17% and 19% respectively.</p>	<i>FTE: Full Time Employee</i>	<b>2006</b>	<b>2007</b>	Total Energy Consumption (kWh / m <sup>2</sup> / year)	379	335	Total CO <sub>2</sub> emission (tones CO <sub>2</sub> / FTE / year)	4.46	3.37	Total Air Travel Emission (tones CO <sub>2</sub> / FTE)	0.97	0.79
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<p>4) Undertake to adopt energy-efficient measures in their operations.</p>	<ul style="list-style-type: none"> <li>◆ Installation of electrical timer in branches to control the air-conditioning in ATM lobby and external light boxes in branches with pre-determined time schedule to minimize the energy and heat consumption during mid-night.</li> <li>◆ In 2007/08, a number of energy saving measures are carried out including the replacement of T8 with T5 fluorescent light, LED exit signs etc. In addition, halogen lamps are replaced by energy-saving lamp in new branches and offices.</li> <li>◆ Carbon Management Plan – a project-based carbon accounting management system to estimate the carbon footprint arising from activities related to a particular project. Once project managers have an appreciation of the “carbon cost” of a project, they can make material selection, design and management choices to reduce it appropriately. The Bank adopted this approach in such project as office and branch fitting-out since 2008 (e.g. renovation of Wanchai Southern branch), to calculate carbon footprint from construction materials used, transport distance, mode of transport and activities on site.</li> </ul> 
<p>5) Identify and encourage business-relevant measures to be taken on days when air pollution is high.</p>	<p>All staffs were encouraged to use public transport. In addition, the Bank continually engages with stakeholders to find ways in which it can reduce operational impacts such as CO<sub>2</sub> emissions and paper consumption. A number of environmental initiatives have been taken to</p>

	<p>arouse awareness.</p> <ul style="list-style-type: none"> <li>◆ Dim it! 6.21 Light Out – the Bank participated in a “light-out” event organized by Friends of the Earth by turning off the exterior lighting for an hour, on one of the hottest days in 2008.</li> <li>◆ Switch off idling engine – the Bank made an environmental pledge to switch off all the idling vehicle engines of their car pool.</li> <li>◆ Energy Star Power Management – the Bank’s IT enables power-saving features on all desktop monitors and laptop screens by setting monitors into a low-power “sleep mode” after 20 minutes of inactivity.</li> </ul>
6) Share air quality expertise in business with others.	<ul style="list-style-type: none"> <li>◆ The Bank’s Annual Sustainability Review provides a full account of its performance on indirect air emission reduction programmes and energy saving initiatives.</li> <li>◆ Suppliers and vendors are well informed of the Bank’s Corporate Social Responsibility policy. In respect of environment, the Bank will ensure the suppliers promote conservation and environment protection as part of their business operation.</li> <li>◆ The Bank illustrates its CSR policy in the standard request for quotation form and requests suppliers to complete CSR questionnaire during the supplier selection process.</li> <li>◆ The Bank has applied for IAQ label, Wastewi\$e Label, Energywi\$e Label as well as Energy Efficient Scheme.</li> <li>◆ The Bank will donate USD 1 million to support conservative projects of World Wide Fund for Nature, of which USD 150,000 is donated to WWF HK’s marine conservation projects.</li> <li>◆ Useful Green Tips are circulated among staff to enhance staff’s environmental knowledge and awareness.</li> <li>◆ The Bank participates in Community Chest’s Green Day to encourage staff to make donation for a Green world on 23 June 2008.</li> <li>◆ The Bank won the 2<sup>nd</sup> running-up in Green Power Bank Cup in 2008.</li> </ul>

### 3. CONCLUSION

As a consequence of the Bank's current drives and commitment towards reduction on air emission and energy effectiveness, high standards of building management and practices have already been integrated into the operation of the Standard Chartered Bank (Hong Kong) Limited. These are sufficient to comply with the Clean Air Charter requirement which means that the overall environmental performance of the Bank is moving towards a sustainable direction. Congratulation!