

# We are HSBC Armenia

Supporting local communities and the environment in 2022



HSBC



# Content

1	A word from Irina Seylanyan
2	HSBC Armenia 2022 Community Support in Numbers
3	Our Approach to Community Investment
5	Employability Skills
	Advancing Employability Through Capacity Building
	Skill Building for Effective & Innovative Greenhouse Management
	COAF's Startup Program for Alumni
	Economic Empowerment of Youth Affected by Nagorno-Karabakh Conflict
11	Financial Capability
	Skillful Youth for Community Development
	Financial Literacy for Journalists
15	Climate Solutions
	Solar Energy for Cultural Heritage
	Rehabilitation of Armenia's forests in favour of climate
19	Community Investment
	Talentum
	Annual Toy Drive by HSBC Armenia
	Other Projects by HSBC Armenia Employee Resource Groups

# A word from Irina Seylanyan

At HSBC, we have a long-standing commitment to support the communities in which we operate. We aim to build resilience in areas where we can make a difference and support sustainable economic growth. We also aim to provide people with the skills and knowledge needed to thrive in the current constantly evolving environment.

From the very first days of our operation in Armenia, HSBC Armenia has always acted on the belief that sustainable growth is the prerequisite of our business success. Throughout 2022, we continued working with our charity partners to identify community needs and give our best efforts to support and deliver projects, which positively affect the lives of community residents, open up new opportunities, and bring hope to less advantaged groups of people. We continued focusing on the projects around the following priorities: employability skills, financial capability, climate solutions, community investment.

I am pleased to present HSBC Armenia's 2022 Community Report, which outlines the projects implemented by us during 2022, including our long-term projects, which started in 2021 and continued in 2022.

I'm thankful to our charity partners for a fruitful co-operation and I'm very proud of my colleagues, who spent hundreds of volunteering hours in the community to share their skills and make a difference in people's life.

We hope you enjoy reading our Community Report and it will inspire you to create your own experience and have a positive impact on the society.



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**Irina Seylanyan**

Chief Executive Officer  
HSBC Armenia

# HSBC Armenia 2022 Community Support in Numbers

HSBC Armenia is one of the country's leading banks. With 6 offices in Yerevan and around 300 employees, we serve around 31,000 customers through three Global Businesses: Wealth and Personal Banking, Wholesale Banking and Markets and Securities Services.

We're here to use our unique expertise, capabilities, breadth and perspectives to open up new kinds of opportunity for our customers. We're bringing together the people, ideas and capital that nurture progress and growth, helping to create a better world – for our customers, our people, our investors, our communities and the planet we all share.

At HSBC, we are committed to building a business for the long term, developing relationships that last. We want to be a well-managed organisation that people are proud to work for, has the trust of our clients and the communities we serve, and minimises its impact on the environment.

9

Implemented and  
active projects

707

beneficiaries

\$198,442

active donations

9

volunteering events

49

volunteers

310

volunteering hours

# Our approach to community investment

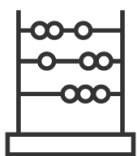
Our approach to community investment is based around four pillars: educating young people to make the most of the opportunities available to them, offering financial education to people who have relatively low financial literacy, getting involved in our local communities to support those most in need, and enabling the net zero carbon economy of the future through sustainable finance.



## **Employability skills**

A significant portion of our work is directed towards helping people develop the employability and financial skills they need to thrive.

Advancements in digital technology are rapidly changing how we work and live, and affecting people's finances and livelihoods. That's why we are committed to building future skills – for our customers, employees and people in the communities we serve.



## **Financial capability**

Financial capability means having the skills, attitudes and tools needed to manage money effectively. We aim to help our customers build their financial capability and we have set a goal to help people in our communities be more financially capable.



## **Climate solutions**

We set out an ambitious plan to prioritise financing and investment that supports the transition to a net zero global economy – and helps to build a thriving, resilient future for society and businesses. Our plans to support climate solutions and innovation include renewable energy and nature-based solutions.

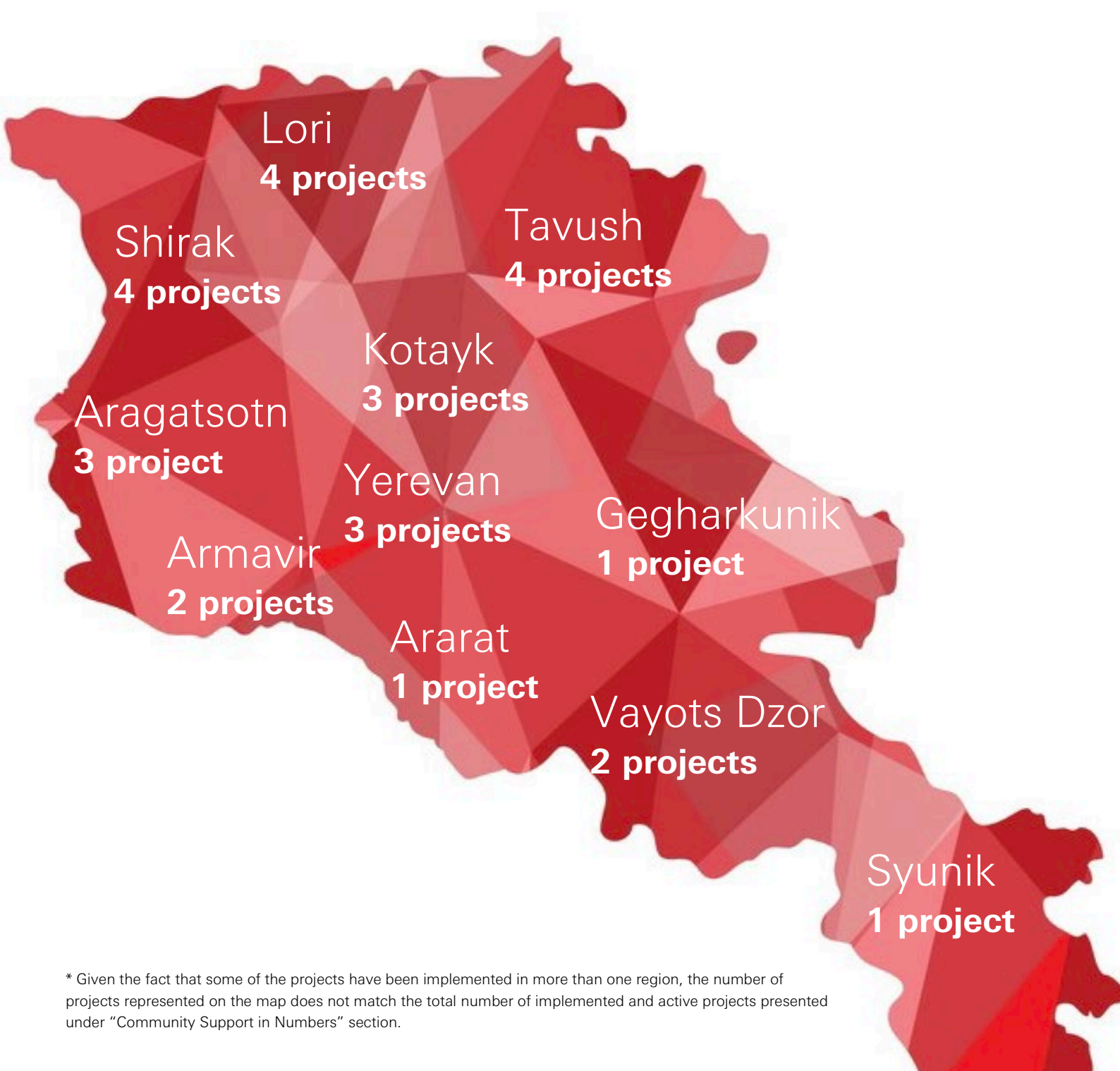


## **Community investment**

In addition to our support of future skills and climate solutions we also earmark roughly a quarter of funding for causes that are important to communities, reflecting local needs.



While our business is located in Yerevan, maintaining sustainable connectivity with the marzes (regions) of Armenia is a priority for us. At HSBC Armenia we believe that to boost regional economic development it is necessary to open up opportunities for rural communities ensuring balanced development and inclusive economic growth. We have been implementing community projects in diverse areas based on our 4 pillars.



\* Given the fact that some of the projects have been implemented in more than one region, the number of projects represented on the map does not match the total number of implemented and active projects presented under "Community Support in Numbers" section.

# Employability Skills





We help people develop employability skills through partnerships with charities and non-governmental organisations.

Our recent projects on employability skills include:




Advancing Employability Through Capacity Building



Skill Building for Effective & Innovative Greenhouse Management



COAF's Startup Program for Alumni



Economic Empowerment of Youth Affected by Nagorno-Karabakh Conflict

# Advancing Employability Through Capacity Building

Implementing partner: Gyumri Information Technologies Center

HSBC Armenia and Gyumri Information Technologies Center (GITC) have been working together for implementation of the program aimed at advancing employability of young people in the Tavush region.

Within the framework of the initiative and with HSBC's financial support, programming and soft skills training courses were organized for the youth of Tavush. Thanks to the program the participants got an opportunity to establish connections among local IT companies and GITC partner organizations, opening up future employment opportunities.

As part of the programme, we organised financial and banking literacy classes for the participants, where the leading experts of our bank shared their knowledge with the beneficiaries of the project.



Thanks to this project 43 beneficiaries had the chance to participate in 6-month free courses on the following topics:

**Computer Technology (Basic Skills)**

**Web Programming (HTML / CSS / JavaScript)**

**Social Media Marketing (SMM)**

**Graphic Design**

We believe that knowledge acquired during the programme will pave the way for the youth of Tavush region to find job. We are pleased to announce that some of the project graduates have already received job offers.

The initiative supported both stakeholders, the young people in Ijevan to upgrade and equip their employability with demanded skills and the IT companies operating in Ijevan to find skilled IT specialists.

# Skill Building for Effective & Innovative Greenhouse Management

Implementing partner: Jinishian Memorial Foundation



HSBC Armenia and Jinishian Memorial Foundation launched a project aimed at supporting Armenian farmers to increase efficiency and profitability rate of their greenhouses by building their knowledge and skills on new methods and advanced technologies, as well as ensure financing along with the State subsidy for necessary investments.

Targeting farmers who live in the regions of Armenia and willing either to construct or already have a small greenhouse (up to 1000 sq. meter) the project was carried out through several phases. In the initial stage the majority of the applicants, at least 80 small holder farmers underwent series of online trainings and were introduced to new and modernized agriculture technologies, pros and cons of small greenhouses, the opportunities and difficulties in the sub sector, etc. After the

sessions the participants were filtered and those with potential and commitment moved forward to work with groups and to receive individual consulting by best experts in the field.

Farmers who were ready to make investments for modernizing their greenhouses took part in greenhouse business modeling training programme.

Later, the best models will be presented for financing and the beneficiaries will be able to reduce financing costs substantially thanks to receiving state subsidies.

After project completion JMF will continue to work with those farmers who had investments in innovative greenhouseing to support them with needed technical expertise by engaging qualified consultants in the field to contribute into the sustainable agriculture development in the regions.



# COAF's Startup Program for Alumni

Implementing partner: Children of Armenia Charitable Foundation

COAF's second annual startup program for alumni kicked-off in 2022 with sponsorship of HSBC Armenia.

The purpose of the program was to help the rural youth of Armenia to bring to life their innovative startup ideas in the fields of educational technology (EdTech), financial technology (FinTech), tourism, agricultural technology (Agritech) and Green Solutions.

The program consisted of 3 stages: Pre-incubation, Incubation and Pre-acceleration stages.

**Pre-incubation** period was a 4-month course for about 150 high school students to prepare them for entrepreneurial projects, as well as to facilitate their participation in the future incubation phase of the program.

**Incubation** phase was intended for thirty alumni from across the regions, who had been shortlisted to participate in an intensive eight-week training program, where they had the opportunity to validate various business ideas. This stage culminated with a pitching event, during which the alumni presented their ideas to a jury panel.

The three winners of the incubation component secured their places in the last **Pre-acceleration** stage, which was designed for going to market, as well as being prepared for accelerators, investments and revenue.

During the project life cycle and afterwards entrants were provided with industry-specific expertise by HSBC and COAF, networking opportunities, mentorship and comprehensive trainings, covering different business areas.



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Supporting sustainable development of our regions is a strategic priority for us. Motivation of the local youth is one of the most important prerequisites for building prosperous life in the regions. This is why we invest in programs aimed at educating youth living in rural areas and bringing to life their business initiatives. We do this both by getting involved in these projects and providing financial support for their implementation.

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Irina Seylanyan  
CEO  
HSBC Armenia

# Economic Empowerment of Youth Affected by Nagorno-Karabakh Conflict

Implementing partners: "SOS Children's Villages Armenia" Charitable Foundation and Aurora Humanitarian Initiative Charitable Foundation

HSBC Armenia and "SOS Children's Villages Armenia" Charitable Foundation worked together to support the economic empowerment of youth affected by Nagorno-Karabakh conflict through quality education and acquisition of vocational and entrepreneurial skills.

Thanks to the project started back in 2021 more than 100 war-affected young people from the Dilijan community acquired new skills, professional competencies and tools relevant to the labor market.

The main components of the project were:

## **Development of life skills to increase working**

**capacities:** Courses were held covering "Life Skills" and "Employability" aiming to develop personal and practical skills of the beneficiaries. As a result of these trainings, participants improved their critical thinking and problem solving; communication; time management and other skills.

**Improvement of professional skills:** Beneficiaries participated in professional courses, as well as vocational trainings to improve their employability opportunities.

**Development of entrepreneurial skills:** Motivated and business-minded candidates were selected for the entrepreneurship courses: the project supported a group of young people in developing their business ideas, who acquired business skills and created innovative business projects.

Nine viable small businesses were approved by the selection committee to receive initial capital to cover start-up costs (e.g. registration of the business, acquisition of necessary equipment and raw material, etc.).

## **Results of the project**

**70%** participants were hired in various fields

**9** beneficiaries provided with business grants for the total of

**EUR27,000**

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When we launched the project last spring, our goal was to provide around 100 young people with a high-quality education, where they could also develop their entrepreneurial skills. We are pleased to see that some have already established their own small businesses, thus ensuring the sustainable development of their community.

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Irina Seylanyan  
CEO  
HSBC Armenia



# Financial Capability



We aim to help people acquire the knowledge, understanding, skills, motivation and confidence to make financial decisions which are appropriate to their personal circumstances.

In this area our implemented projects were:

- Skillful Youth for Community Development
- Financial Literacy for Journalists

# Skillful Youth for Community Development

Implementing partner: “Orran” Benevolent NGO



The project funded by HSBC Armenia aims to increase employment, promote social cohesion and boost entrepreneurial and labor skills among 200 young people aged 16-35 in remote communities of 4 regions of Armenia. The project was launched in 2021 and was planned to support young people from socially vulnerable families from Lori, Shirak, Vayots Dzor and Aragatsotn by building capacity required for employment or establishing their own businesses via delivering trainings, organizing workshops and other activities.



Beneficiaries of the project participated in theoretical and practical courses to develop their employment and entrepreneurial knowledge and skills, as well as received support for creation of enterprises.

Within the framework of the project, the Bank's employees traveled to Vanadzor on a voluntary basis, where they held financial literacy training, as well as shared their expertise, necessary for future entrepreneurial initiatives of the beneficiaries.



Completion of the project is expected in 2023, after which the beneficiaries will be able to find jobs or start their own business in their respective regions. The top twenty-five participants who come up with the best business plans will receive grants to promote their business.

At HSBC we recognize the importance of providing equal employment opportunity for people living in rural areas. We do this by helping vulnerable groups in the community develop skills required for the jobs.

# Financial Literacy for Journalists

Implementing partner: Union of Banks of Armenia



The Union of Banks of Armenia (UBA) launched series of seminars, designed to raise the level of financial literacy of the Armenian economic sector journalists.

On volunteer basis employees of HSBC Armenia participated in this initiative by delivering lectures for the participants.

Davit Arakelyan, Head of Retail Banking Risk and Marine Nikoghosyan, Head of Corporate Sales within Markets & Securities Services shared their knowledge on financial derivatives and lending in banks. The journalists were given the opportunity not only to listen to lectures of leading banking experts of HSBC Armenia, but also to ask questions and have discussions on the topics.

All the participants were highly impressed by the interactive presentations made and interesting discussions held thanks to our colleagues.

HSBC Armenia always gives priority to projects aimed at improving financial literacy of our citizens regardless of their profession.

## Volunteer voices

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I am happy to contribute towards financial literacy improvement of our journalists, as media outlets play big role in forming expectations in economy and it's very important to encourage quality and analytical economic journalism.



”

**Davit ARAKELYAN**  
Head of Retail Banking Risk

”

It is important that our economic journalists develop their knowledge on financial literacy. That will enable them to provide quality and reliable information to the audience.



”

**Marine NIKOGHOSYAN**  
Head of Corporate Sales  
Markets & Securities Services



# Climate Solutions





Climate solutions are focused on three global themes: climate-related innovation, nature-based solutions and energy efficiency initiatives. We see these as having the potential to make a significant impact in the mission to achieve a net zero, resilient and sustainable future. Our involvement in climate solutions projects include the following:

- Solar Energy for Cultural Heritage
- Rehabilitation of Armenia's forests in favour of climate

# Solar Energy for Cultural Heritage

Implementing partner: Armenian Energy Agency Foundation



In line with HSBC's strategy of creating sustainable value, the Bank provided financial support to the "Armenian Energy Agency" Foundation for implementation of the "Solar Energy for Cultural Heritage". The main purpose of the project was to reduce energy costs of historical, cultural, and national objects, using the savings for the benefit of other fundamental needs. This in turn, will contribute to a sustainable development and address the challenge of climate change.



The first beneficiary of the project was Hovhannes Tumanyan museum on the roof of which a 20.08 kW solar photovoltaic power station was installed. As a result, the museum will henceforth save all the annual funds intended for electricity costs, directing them for the benefit of other fundamental needs.

The launch of this station was announced during the ceremony organised on the eve of Hovhannes Tumanyan's birthday at the museum of the famous Armenian poet.



Our bank representatives were present at the event where the CEO of HSBC Armenia Irina Seylanyan mentioned that HSBC Armenia's funding initiative was created last year as part of its 25<sup>th</sup> anniversary celebrations, with the purpose to show its commitment to the city where it has been operating since its beginning.

As a result of this project electricity cost savings were directed to e-digitization and creation of an electronic library comprising of 8000 books. This will make Hovhannes Tumanyan's personal library available to art lovers.



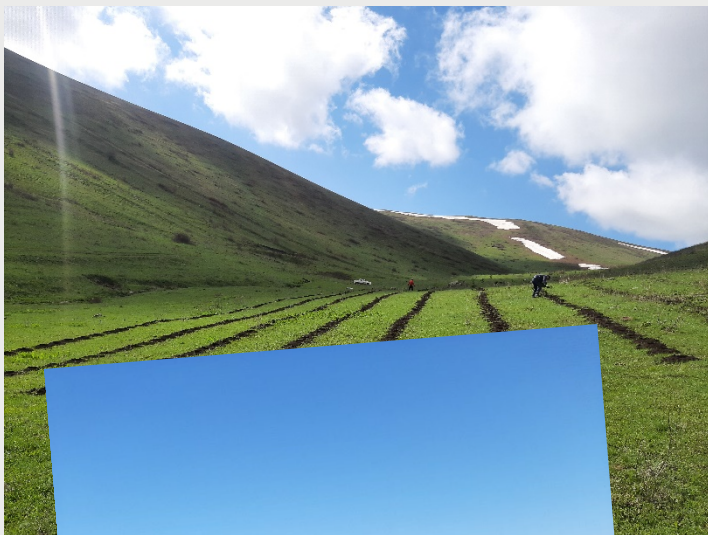
# Rehabilitation of Armenia's Forests in Favour of Climate

Implementing partner: Armenia Tree Project (ATP) charitable foundation

The project aims at enhancing Armenia's forest ecosystem and biodiversity, to make them resilient to climate change. Thanks to the HSBC Armenia's donation to ATP charitable foundation, over 4000 trees were planted in the Lernanist community of Kotayk region contributing to afforestation of one hectare land. Considering the dry climate of the region, the participants planted special drought tolerant trees, including wild apple, pearbirch and etc.

As forests are the main sources of oxygen, their conservation and afforestation help tackle one of the key global challenges of our time, climate change. Given that forests are scarce in Armenia, afforestation and conservation measures are vital for improving the country's ecosystem.



Another focus of the project is to engage members of deprived communities in sustainable seasonal employment. They were involved in planting trees and will be engaged in looking after them over the next five years.



# Community Investment



At HSBC, we have a long history of investing in communities and encouraging our employees to volunteer their time and expertise to a range of different causes. Our community initiatives in 2022 included:

 Talentum Annual Toy Drive by HSBC Armenia Other projects by HSBC Armenia Employee Resource Groups



# Talentum

Implementing partner: Music for Future Cultural Foundation

Armenia's talented young musicians don't get proper access to cultural, social and educational opportunities that are vital for their professional growth.

With the aim of opening up a world of opportunity for young people in Armenia and supporting them in fulfilling their dreams, HSBC Armenia started cooperation with "Music for Future Foundation" in scope of Talentum Program.

The purpose of the program is giving a chance to young talents to unlock their potential by getting access to important knowledge, skills and communication.

The program identifies talented musicians, trains and develops them, raising artists that meet international standards and are ready to represent Armenian culture around the world. It includes granting scholarships and organizing master classes in Armenia and abroad, teaching foreign languages to ensure their communicability.

The duration of the project is 12 months during which 5 beneficiaries, young talented musicians from Yerevan with promising future will have a chance to visit museums for recognizing and carrying the Armenian cultural heritage. They will also attend concerts of world-class artists for the purpose of familiarization with the best performing schools in the world and perform at concerts in Armenia and abroad to gain great stage experience.



# Annual Toy Drive by HSBC Armenia

The year was concluded with the HBAM's traditional annual Toy Drive organized in December. Around 250 children from 35 communities of the Kotayk region believed in New Year's miracles and received gifts from Santa Claus thanks to our employees. They thrived to grant festive mood to the children for whom attention and affection are of special importance.


Through the efforts of "SOS Children's Villages" Armenian charitable foundation, children's letters addressed to Santa Claus reached the employees of the Bank, who visited the Kotayk region. They distributed gifts and helped to create an unforgettable day for the children who believe in Santa.

Since 2007, as part of the HSBC Youth Opportunities Programme, HSBC employees around the world have been purchasing toys for children from disadvantaged backgrounds and delivering them to the offices of local partner charity organisations.

This initiative is special for HSBC Armenia, as thanks to the program many children believe that their New Year's dreams that seem improbable can come true.







To broaden our Corporate Sustainability impact HSBC Armenia created three Employee Resource Groups involving the enthusiasts who wanted to be the drivers for the changes they wanted to see. Within the framework of these groups our people have consolidated their efforts to make a difference in the areas they consider priority. Through this initiative our colleagues aim to accelerate our collective progress towards a more sustainable world.

Apart from the community support projects implemented by the bank, these employee groups organized volunteering events in 2022 that included but not limited to the following:

**Placement of special containers in the bank premises for separating plastic, paper and glass**

- In celebration of the Earth Day a group of volunteers launched a waste segregation process within the bank making contribution to more sustainable operations. Totally we've collected 250.33kg glass and 1551 plastic bottles.

**Armenian Tree Project (ATP) -**

HBAM Sustainability ERG got engaged in the project sponsored by HSBC Armenia. Our colleagues visited Lernanist for monitoring of afforestation area implemented within the frames of Armenian Tree Project (ATP).

**Alternative Transport Day** –on the World Environment day an event was organized encouraging awareness and action for the protection of the environment. Our employees and their families visited Yerevan Velotrek and underwent a session on alternative transportation and its impact on environment.







We invest for a  
sustainable future



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"HSBC Bank Armenia" CJSC is a member of HSBC Group, one of the largest banking and financial services organizations in the world.