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HSBC SETS OUT AMBITION TO BUILD A NET ZERO ECONOMY

HSBC to align its portfolio of financed emissions to the Paris Agreement goal to achieve net zero by 2050

HSBC to target net zero in operations and supply chain by 2030

HSBC announced an ambitious plan to prioritise financing and investment that supports the transition to a net zero global economy, citing a landmark opportunity to build a thriving, resilient future for society and businesses.

The bank is committing to align its financed emissions – the carbon emissions of its portfolio of customers – to the Paris Agreement goal to achieve net zero by 2050 or sooner. HSBC has both the scale and global reach to play a leading role in guiding its customers through this transition and helping them to achieve this ambitious goal. The bank also aims to be net zero in its operations and supply chain by 2030.

HSBC pledged to work with its customers in all sectors to develop tailored solutions to reduce emissions. The bank will increasingly prioritise financing and investment that contributes to the low carbon transition and will apply a climate lens to financing decisions. HSBC's ambition is to support customers with between USD750bn and USD1 trillion of finance and investment by 2030 to help with their transition.

To achieve this ambition, HSBC aims to:

- Align its business activities to the goals of the Paris Agreement and a pathway to net zero by 2050 or sooner
- Enhance its support for customers in their transition to low carbon, providing dedicated financing support and advice for their unique transition journeys
- Unlock new climate solutions by creating one of the world's leading natural capital managers, creating a USD100m venture debt fund for CleanTech innovation, and launching a philanthropic programme to donate USD100m to bring new solutions to viability and scale
- Work in partnership with its peers, customers, regulators, governments and wider society to effect change across the financial system

Peter Yeates CEO Greece commented: *"From the discussions we have with our clients it's obvious that the number of corporations which are looking to invest in projects that promote sustainable development or minimize their energy footprint is increasing rapidly in Greece. The European Green Deal by the European Union sets a target of zero carbon emissions by 2050. To achieve this goal significant investments are required in various areas such as infrastructure, energy upgrading of buildings and improvement of corporate functions and supply chains. This means that banks have a very important role to play in financing this transition. In Greece, during the past year, we saw a growing number of "green bonds" issues and increased interest in financing green projects. At HSBC, thanks to our international experience and know-how, we are very well positioned to cover the specialized needs of our customers. The HSBC Climate Ambition we just announced showcases our commitment to the transition to net zero carbon economy."*

HSBC is well-established as a leading player in the transition to a low carbon economy. In 2017, the bank committed USD100bn of sustainable finance by 2025, and has since launched a number of award-winning products, and been recognised as a leading bank for sustainable finance. However, the bank recognises that achieving the Paris Agreement goal

will require extra effort, at a faster pace, and plans to use its scale and global reach to seek to accelerate the transition to net zero.

Group Chief Executive **Noel Quinn** said: *“HSBC has long been committed to opening up opportunities for our customers and the communities we serve. As we enter a pivotal decade of change, we have a landmark opportunity to accelerate our efforts to build a healthier, more resilient and more sustainable future. Our net zero ambition represents a material step up in our support for customers as we collectively work towards building a thriving low carbon economy.”*

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Note to editors:

HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,923bn at 30 June 2020, HSBC is one of the world’s largest banking and financial services organisations.

In Greece, HSBC operates since 1981 with presence in Athens and Thessaloniki. HSBC offers banking services to individuals as well as to corporate and institutional clients.

HSBC’s History of Sustainable Finance

The bank’s ambitious climate declaration builds on its leadership in sustainable finance and addressing climate change.

- In 2017, HSBC pledged to provide USD100bn in sustainable financing and investment by 2025.
- In 2020, HSBC was named the World’s Best Bank for Sustainable Finance by Euromoney, which noted that “across every sector and region HSBC stands out for its commitment to developing partnerships and products that will bring finance at scale to create a more sustainable and resilient planet.”
- Last month, The Banker named HSBC as Investment Bank of the Year for Sustainability in its 2020 awards, praising “an impactful and holistic approach to environmental, social and governance (ESG) issues across many geographies, products and services and for a range of clients”.
- HSBC is ranked the number one global bookrunner of green, social and sustainability bonds for the year to the end of September, according to Dealogic.
- HSBC has been ranked a leading research house in ESG (Environmental, Social and Governance) for the past five years, according to external surveys that include Extel and Institutional Investor.
- HSBC is a member of RE100, committed to sourcing 100% of our own electricity consumption from renewable sources

HSBC’s Recent Innovative Green Solutions

- The bank acted as Green Structuring Advisor and Lead Manager on the world’s first plastic waste reduction bond for German consumer goods firm Henkel in July.
- HSBC played a major role in a USD743m green loan for the Viking Link interconnector project in June that will allow the UK and Denmark to share renewable energy via an underwater cable.
- The bank helped both Burberry and Chanel launch their inaugural sustainability bonds in September, the first luxury brands to enter the green bond market.
- HSBC Global Asset Management launched the Real Economy Green Investment Opportunity (REGIO) last year that enables investors to align their financial objectives with real economy impact to deliver against the Paris Agreement and Sustainable Development Goals.
- The bank has pioneered sustainable supply chains, including its partnership with US retail giant Walmart and a Sustainable SCF facility for sports brand Puma globally covering suppliers in 17 countries.

Terms and definitions

- Our ambition to provide between USD750bn to USD1 trillion in finance and investment to support our customers in their transition to net zero extends our 2017 commitment to provide USD100bn of sustainable finance by 2025.

- The ambition includes HSBC's financing, facilitation and investment activities, and reflects an aggregation of financial flows (volume) where sustainability criteria are applied to the financing, facilitation or investment activities enabled through HSBC's businesses and client relationships.
- Updated definitions will be published on HSBC.com

Cautionary statement

This communication contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements may be identified by the use of terms such as 'may,' 'intends,' 'aims,' 'ambition,' 'plan,' 'target,' 'will,' 'should,' 'potential,' 'reasonably possible' or 'anticipates' or the negative thereof or similar expressions, or by discussions of strategy. These forward-looking statements include statements relating to becoming a net zero bank, supporting our customers in the low carbon transition, and unlocking next-generation solutions in particular.

Achieving these aims is inherently uncertain and is subject to a number of risks and uncertainties, including the efficacy of government, customer, and HSBC's actions in managing and mitigating climate change; societal shifts in customer financing and investment needs; delays to the pace of change; development and use of new technology; ability to exploit growth or investment opportunities; changes in public expectations and other changes to business conditions; adverse changes in regulatory capital and tax regimes; and the other risks, uncertainties and assumptions about us, as described under 'Cautionary statement regarding forward-looking statements' and 'Risk factors' contained in the HSBC Holdings plc Annual Report on Form 20-F for the year ended 31 December 2019, filed with the SEC on 19 February 2020 (the '2019 Form 20-F'), and in other reports on Form 6-K furnished to or filed with the SEC subsequent to the 2019 Form 20-F ('Subsequent Form 6-Ks'). HSBC Holdings plc undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur. Investors are cautioned not to place undue reliance on any forward-looking statements, which speak only as of their dates. Additional information, including information on factors which may affect the HSBC Group's business, is contained in the 2019 Form 20-F and Subsequent Form 6-Ks.

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