

Chair's statement:

Natalya Tueva, Director of Sustainable Finance – Structured Finance, HSBC UK Bank PLC

“Climate change is a key issue for businesses and will only increase in priority, albeit different countries and customers are at different stages in their own journey. At HSBC UK we are committed to supporting the transition to a low carbon economy and we have made good progress to build the foundations to support our existing customers.

We are increasingly incorporating climate-related risk, both physical and transition, into how we manage and oversee risks internally and with our customers. We are looking to embed transition risk into our day-to-day credit risk management.

According to HSBC's latest Navigator report, 96% of businesses globally feel increasing pressure to become more sustainable. There are opportunities, but also reputational and financial risks to be considered, if the businesses do not adapt to the changing market and customers' needs.

According to the International Energy Agency, buildings consume 36% of the world's energy and contribute up to 40% of greenhouse gas emissions. New buildings that are being built now and in the next 5-10 years will still exist in 2050 and therefore we must ensure that the energy efficiency standards we set for them put us on track to meet the 2050 target.

HSBC's aspiration is to be a world-leading sustainable financing bank and we've committed to provide USD100bn of sustainable financing and investment by 2025. At the end of 2019, HSBC reached USD52.4bn of that goal. In 2019, HSBC also became the largest green, social and sustainability (GSS) bond market underwriter. Aside from green bonds, to support businesses to achieve their sustainability ambitions, we have opened up our green lending proposition which is aligned to the Loan Market Association's Green Loan Principles, which aim to create market standards and guidelines, providing a consistent methodology for use across the green loan market.”

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